MONDAY SPORTS
Mercedes Wins Le Mans
See Page 18

International Herald Tribune

Published With The New York Times and The Washington Post

No. 33,062 24/89 ** PARIS, MONDAY, JUNE 12, 1989 ESTABLISHED 1887

Algeria 6.00 Dm | Iran 115 Rials | Oman 1.000 Rials
Austria 22 S | Israel NIS 3.00 | Portugal 160 Esc.
Bahrain 0.800 Dm | Italy 2,000 Lire | Qatar 8.00 Rials
Belgium 50 B.Fr | Jordan 750 Fils | Rep. of Ireland 60 P
Cyprus 0.6 0.90 | Kenya Shs 35 | Saudi Arabia 7.00 R
Denmark 11.00 D.Kr. | Kuwait 500 Fils | Spain 150 Ptas
Egypt E.P 3.250 | Libya L.Din. 0.80 | Sweden 9.00 S.Kr
Finland 8.50 F.M | Luxembourg 50 L.Fr | Switzerland 2.50 S.Fr
France 7.50 F | Madeira 165 Esc. | Tunisia 1.000 D.
Germany 2.70 D.M | Morocco 10.00 Dh. | Turkey T.L. 3,200 00
Great Britain 1.00 £ | Netherlands 3.00 Fl. | U.A.E. 8.00 Dirh
Greece 150 Dr | Norway 9.00 N.Kr | U.S. Mil. (Eur.) 80.85
| Nigeria 10.00 Naira | Yugoslavia 25,000 D.

East German Hails Bush Plan On Arms but Defends the Wall

Honecker Hints a 'Yes' on Conventional Weapons Cuts

By Jim Hoagland and Robert J. McCartney
Washington Post Service

BERLIN — The East German leader, Erich Honecker, indicating that the Warsaw Pact will respond quickly and positively to President George Bush's initiative to slash conventional arms, has hailed the Bush proposals as being "close to our striving for radical conventional disarmament."

In an interview, Mr. Honecker warmly welcomed Mr. Bush's call for an acceleration of negotiations in Vienna and his commitment for both sides to destroy all tanks, aircraft and other weapons that are withdrawn from combat units stationed in Europe. He suggested that NATO should move quickly to adopt the Bush initiative.

Mr. Honecker also confirmed that East German border guards had been ordered not to use deadly force to stop civilians who try to flee into West Germany. He said his government wanted "to humanize the border regime" as part of a trend of improving relations with Western Europe and the United States.

But Mr. Honecker, head of state and general secretary of the East German Communist Party, rejected Mr. Bush's call earlier this month for the Berlin Wall to be torn down.

The strict border controls still in place keep East Germany from being "bled white" through "economic plundering," he said, omitting any mention of East-West security considerations as a reason for the 100-mile (160-kilometer) wall that rings West Berlin and the heavily fortified inner-German border.

Mr. Honecker also departed from the generally conciliatory tone that dominated the two-hour interview, conducted through an interpreter on Wednesday, to defend the Chinese Communist Party leadership against sharp Western criticism for the violent suppression of peaceful demonstrations in Beijing.

He said he accepted the Chinese government's statements that protesters had provoked the trouble and had received appropriate and restrained punishment.

Mr. Honecker, 76, has been the Communist Party leader for 18 years. His retirement has been frequently rumored in the last year, but he appeared to be fully engaged, in good health and not contemplating withdrawal from public life any time soon. The interview was his first with an American publication in three years.

He argued firmly that the upheaval that has struck the Soviet Union, China, Poland and other Communist-ruled countries was a result of national conditions in those countries and not to any crisis in communism. Mr. Honecker said he saw no reason to make sweeping changes in East Germany's economic life or political system, uniformly described by human rights groups as repressive.

Mr. Honecker repeatedly emphasized his satisfaction over the sharp improvement in relations that has been registered between the two German nations in recent years, attributing this to a general relaxation of East-West tensions and to the growing acceptance of the East German government by West German politicians and public, as well as by other Western governments.

He adopted a brusque and unyielding tone when asked about prospects of the two Germanys' ever being reunited. This will never happen, he said, because "we are committed to insure that no more war will emanate from German soil."

A Greater Germany "only existed for a rather short period of time," he said, citing the Holy Roman Empire and Hitler's Third Reich, both destroyed by military

See GERMAN, Page 7

Agence France-Presse

Chang Outlasts Edberg to Win French Open

Michael Chang returns a forehand during his 6-1, 3-6, 4-6, 6-4, 6-2 victory over Stefan Edberg of Sweden in the French Open tennis final in Paris on Sunday. Chang, at 17 years and three months, became the youngest man to capture the French title, the world's premier clay-court championship, and the first American man to do so since Tony Trabert won the tournament in 1955. Page 19.

Beijing Seeking Dissidents Now In U.S. Embassy

By John Burgess
Washington Post Service

BEIJING — The Chinese government said Sunday night that it had issued arrest warrants for a prominent dissident couple who have taken refuge in the U.S. Embassy, and the police pressed ahead with a general crackdown on government opponents around the country.

The dissident couple, the astrophysicist Fang Lizhu and his wife, Li Shuxian, were charged with counterrevolutionary activities. The charge seems certain to heighten the diplomatic tension between China and the United States that their presence in the embassy has touched off.

In Beijing, the police arrested another well-known opponent of the government, Ren Wanding. A veteran of the Democracy Wall movement of the late 1970s, Mr. Ren was taken from his home on Friday by a half-dozen plainclothes policemen, his wife said Sunday.

"Everything I have done is within the boundaries of the constitution," Mr. Ren was quoted as saying before he was taken away. "I am totally at peace with myself. I will never hide." He was imprisoned from 1979 to 1983.

In provincial cities, protests appeared to be dying out. In several of them, posters proclaiming the disbandment of independent student associations were reported to have appeared overnight. Students in Shanghai, however, told Reuters that they were continuing with such an association there.

Also among people arrested in raids in several cities was a man accused of falsely telling ABC News in an interview that tanks had rolled over protesters when Chinese troops suppressed pro-democracy demonstrations last week.

In Washington, a State Department spokeswoman said she could not comment directly on the Fang case but that in general the United States would not normally hand over dissidents in danger of being killed, Reuters reported.

["Whenever we have a person we feel is in imminent danger of death, we would give them shelter in the embassy," she said, noting she did not know what treatment Mr. Fang could expect from Chinese authorities if he left the embassy.

[The U.S. ambassador to China, James R. Lilley, interviewed from Beijing on U.S. television shortly before news of the Fang arrest order was revealed, described the situation as very sensitive, The Associated Press reported from Washington.

[Asked if the matter could soon be resolved, he replied: "I hope to God it can . . . because I don't think we want irritants in the Chinese-American relationship. But we Americans stand for certain things, and I don't think we're going to change. And I think the Chinese stand for certain things, and they're not going to change. And then you strike a deal."]

The dispute over Fang Lizhi underscores the difficulty in U.S.-Chinese relations. Page 7.

The Chinese government has covered many of the new arrests with a press blitz, apparently eager to warn the public of the consequences of dissident activity. Extended evening newscasts showed person after person in handcuffs and under interrogation or signing confessions. The official press provided no numbers about the arrests on Sunday.

The arrests appear to be designed to destroy the organizations that led the democracy protest and to scare off potential supporters. Mr. Fang, an astrophysicist who is China's best-known dissident, received national attention in the United States earlier this year when Chinese authorities prevented him from attending a dinner with President George Bush.

Mr. Fang and his wife, who is an

See CHINA, Page 7

Bonn, Awaiting Gorbachev, Foresees Improved Relations

By Robert J. McCartney and David Remnick
Washington Post Service

BONN — Mikhail S. Gorbachev will arrive here Monday for a four-day visit expected to solidify improvements in West German-Soviet relations.

Those improvements have caused concern among Bonn's allies that West Germany has grown too enthusiastic about Moscow's disarmament initiatives and policies for domestic change.

Both the West German and Soviet governments have sought to dampen expectations that there will be any dramatic policy breakthroughs during the visit. But they are already describing the first visit here by a top Soviet leader since 1981 as a major step toward better East-West relations.

Mr. Gorbachev is viewed so favorably in West Germany that his first visit as Soviet leader is likely to have a strong impact, even if there is little progress on substantive issues.

Soviet officials said Mr. Gorbachev, who will visit Cologne, Stuttgart and Dortmund as well as Bonn, is certain to make unscheduled stops to mingle with crowds, as he has done on trips to other Western countries.

An outbreak of effusive popular support for the Soviet leader would be in marked contrast with the routine reception accorded to President George Bush during his visit here May 30 and 31.

In addition, Mr. Gorbachev is likely to want to spring some headline-grabbing surprise while visiting the Western country that has been most receptive to his "new thinking" in foreign policy, according to Western officials and other observers.

Some Bonn officials predicted that he would announce a unilateral reduction in Soviet short-range nuclear missiles, which are of special concern here because most of them are aimed at West Germany.

That would help Mr. Gorbachev recover the initiative in arms control politics in Europe less than two weeks after Mr. Bush won widespread acclaim for his proposal to slash conventional forces.

In an indication that they still were approaching the Bush initiative with caution, however, Soviet officials said here that Moscow was in no hurry during Mr. Gorbachev's trip to respond in detail to the U.S. proposal.

"For about five months, the administration wouldn't answer our proposals, and now they make a proposal and expect an answer right away," Georgi A. Arbatov, a foreign affairs expert and member of the Communist Party's Central Committee, said at a briefing.

The Soviets also have dropped hints that they plan to soften their

See VISIT, Page 7

A Protest in Shreds: Boldness Gives Way

By Nicholas D. Kristof
New York Times Service

BEIJING — The bloodstains are scarcely visible on the pavement now, the once ubiquitous posters calling for greater freedom are now only tattered shreds, and no one dares protest as the prisons fill with those who sought change.

The democracy movement, which in just eight weeks convulsed China and awakened aspirations throughout the nation for a more open political system, seems finally to have collapsed, for now.

Even in cities around the country where protest climaxed last week in reaction to the shooting of hundreds or possibly thousands of demonstrators in Beijing, resistance has given way and protesters are awaiting their fates.

"There is no hope," said a Beijing University student who has been active in the democracy movement. A few weeks ago, he would have been happy to be quoted by name; now he is afraid to allow his name to be used.

"The movement is over," he continued. "Maybe it can come back later on, maybe there can be some underground organization, but essentially everyone is terrified into submission. Who can resist guns?"

The collapse of the movement suggests the difficulties that Chinese dissidents face in sustaining any organized opposition to the government. The authorities apparently retain the loyalty of the security apparatus and the army, and the result is that they can intimidate an active opposition into at least a sullen acquiescence.

NEWS ANALYSIS

In the pre-dawn hours on June 4, when soldiers were emptying their machine guns at demonstrators and the crowd was retreating down Beijing's Avenue of Eternal Peace, anguished young men carried the bloodied corpses of their friends and bellowed their response: "Strike! Strike! Strike!"

But there was no general strike. People stayed away from work for

See BEIJING, Page 7

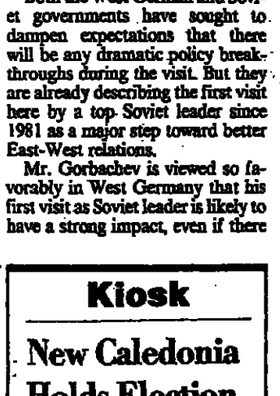
Kiosk

New Caledonia Holds Election

NOUMEA, New Caledonia (AFP) — Kanak separatists appeared headed for electoral control of two New Caledonian provinces, and European settlers were gaining in the third, according to unofficial results of elections Sunday in this French territory.

No incidents were reported despite threats from a hard-line Melanesian group to disrupt the voting, the centerpiece of a 10-year plan for self-determination in the troubled South Pacific archipelago.

MONDAY Q&A



Gerald Greenwald, vice chairman of Chrysler, discusses the company's philosophy. Page 2.

General News

Carlos Saúl Menem may take office as president of Argentina four months early. Page 4.

Business/Finance

EC foreign ministers plan to approve formal negotiations with the Soviet Union on a trade accord. Page 13.

Special Reports

The aviation industry is riding a wave of expansion, but safety and security questions remain unresolved. Pages 9-12.

Crossword Page 6.

U.S. Thinks Pakistan Is Pursuing A-Bomb Plan

By Stephen Engelberg
New York Times Service

WASHINGTON — The Bush administration believes Pakistan is pressing ahead with some aspects of a nuclear weapons program despite Prime Minister Benazir Bhutto's assurances last week that Pakistan does not intend to produce a nuclear bomb, according to administration officials.

Pakistan each year faces the cutoff of U.S. military aid unless the president can certify that the country does not possess a nuclear device.

President Ronald Reagan made that certification last year, but one official said the decision for this year, scheduled for October, "could go either way."

Administration officials praised Pakistan for slowing some aspects of the nuclear program that trouble American analysts. But they said the country had pressed ahead with other activities consistent with making atomic weapons.

"It's a question of whether the glass is half-full or half-empty," an administration official said.

"There's been some progress. Those who think that she solved the problem with her public statements are deluding themselves. The jury is still out. This is a complicated problem. Her visit did not clear it up, and only in hindsight will we we know whether her visit was successful."

Administration officials said Miss Bhutto appeared to be walking a tightrope.

The officials said the nuclear program was under the control of the Pakistani military and had widespread support from the Pakistani public.

They said the prime minister might have to spend political capital to comply with U.S. law.

Miss Bhutto told President George Bush in a private meeting last week that Pakistan did not plan to make an atomic bomb. She repeated the statement in a speech before Congress.

Her predecessors have expressed similar sentiments.

"Speaking for Pakistan," she said in her address to Congress, "I can declare that we do not possess, or do we intend to make, a nuclear device."

But administration officials said Pakistan was continuing its longstanding worldwide efforts to buy the parts and technology needed to make nuclear weapons.

One official said Pakistan was also enriching uranium at its plant in Kahuta to a level beyond the 5 percent appropriate for a peaceful atomic research program.

Another official said the United States had recently detected some changes in Pakistan's enrichment program that suggested the country was paying heed to the American concerns. He declined to elaborate.

In her meeting with Mr. Bush, Miss Bhutto received a briefing from William H. Webster, director of Central Intelligence, in which he spelled out in detail what it knows about the Pakistani program. The informa-

See PAKISTAN, Page 6

A Mitterrand Who Rankles Diplomats

By Edward Cody
Washington Post Service

PARIS — Here she goes again.

Danielle Mitterrand, the French first lady, is speaking her mind on human rights once more, venting indignation and sending ripples across the pond of Parisian diplomacy.

The cause this time is Kurds. After Mrs. Mitterrand visited Kurdish refugee camps in Turkey, she warned in public that trouble could erupt unless the Ankara government granted official refugee status to the Kurds who fled Iraq last year and have been living in makeshift camps on Turkish soil.

Piqued by her unofficial and distinctly unquiet diplomacy, the Turkish ambassador to France pointed out that his government had asked European countries, including France, to take in some Kurds or help meet the expenses of caring for them in Turkey.

In a statement, Ambassador Ilter Turkmen said the president's wife made what he termed a "private visit" April 29 to May 2, during which she visited the refugee camps. "Frankly," he added, "we did not expect political appeals, criticisms or statistics on the Turkish population" on her return.

The ambassador clearly has a lot to learn about Mrs. Mitterrand. To a degree that France has never seen before, she has exercised the right to declare her opinions and push her causes, even when officials who work for her husband are sticking to the velvet diplomacy that is more in line with French tradition.

"I am the wife of François Mitterrand," she said in an interview, "and he happens to be president of the republic. So I have a broader tribune." But, she added, that fact does not rob her of the right to express herself.

AP

Danielle Mitterrand

So while Foreign Ministry officials have dealt with the Turkish ambassador, she has been renewing her appeals and criticisms concerning the 36,000 Kurds confined to three camps in eastern Turkey.

"Since I've been back," she said, "I have been bearing witness to what I saw. I put all my emotion into what I do, because it is a tense situation." The refugee population, she added, "is not going to put up with living in those camps all summer. Something is going to happen."

Not content with pointing a finger at Turkey, Mrs. Mitterrand provided a specific explanation of why the Kurds fled Iraq, a country to which France sells billions of dollars in arms and other goods, as part of a long-standing relationship that the president has been careful to preserve.

"In some places, where their Kurdishness is not recognized, they are massacred — I am speaking of Iraq," she said, "and in the countries where they flee, they are treated in conditions that are intolerable."

The Turkish ambassador has not been the only irritated diplomat in Paris. In April it was the Chinese envoy's turn. He was disturbed because Mrs. Mitterrand received the visiting Dalai Lama, the spiritual and temporal Tibetan leader who fled his country when it was absorbed by China and who has been a frequent critic of Chinese rule from his refuge in India.

"I am very honored to have met the Dalai Lama," she declared.

The Algerian Embassy also has had some problems with Mrs. Mitterrand. When soldiers in Algiers shot rioting youths in November, she expressed her indignation forcefully.

Similarly, Argentina objected some time ago when Mrs. Mitterrand voiced her feelings about torture. "No one will make me accept that one can institute torture and amnesty for the people who tortured," she said.

Mrs. Mitterrand, 64, said her appeals and condemnations were not intended to represent official French policy or the views of her husband. Instead, she said, they are designed to

See DIPLOMAT, Page 6

The Associated Press

Chinese television showing a photo on Sunday of two protesters handcuffed to trees by army captors.

Chrysler's Return to Europe: It Likes What It Sees in Sales

Gerald Greenwald, vice chairman of Chrysler Corp. and heir apparent to the chairman, Lee A. Iacocca, was at the Paris Air Show this week for the announcement of a new development program by Gulfstream Aerospace, a Chrysler subsidiary. The program includes a new compact business plane called the Gulfjet and a possible supersonic business aircraft. Mr. Greenwald discussed Chrysler's philosophy with Barry James of the International Herald Tribune.

Q. How do you see Chrysler's prospects?

A. We've become again a very successful company. We've been able to continue to grow in the car and truck business, and also to diversify into the aerospace technologies business and into financial services. We look forward to growing in all three, but we expect that the car and truck business will always be the dominant part of our corporation.

Q. You've definitely turned the corner?

A. Oh, I think we've gone around the block a couple of times. We are a $36 billion company now, and in size we are No. 7 in the United States among corporations, and we've made $1 billion after tax in profits every year for the past five years.

•

Q. How important is collaboration between the aerospace and automotive sectors?

A. When we decided to diversify into the aerospace business we thought that there might be some product synergy, but we didn't make the decision to diversify

MONDAY Q&A

technology primarily for that reason. We were looking for a means to make our company grow, a means of creating some profitability even in times when the car and truck business might be cyclically soft. But we do see in the automobile industry the need to improve the quality of our electrical systems. The aerospace business has for many years been doing very high quality multiplex electronics systems for airplanes, and that may have some application for us.

Q. Your Gulfstream Aerospace subsidiary is talking about producing a supersonic business jet. How realistic is that?

A. By the very definition of an advanced research and development project, it is one that will be examined and studied and tested before we know. It's too far out in the future to do useful market research.

•

Q. Chrysler pulled out of Europe to all intents and purposes a few years ago. Are you now trying to get back in?

A. Yes we are. We decided that having cleaned up our own act in North America and become successful again it was time to restart.

Q. How are you going about it?

A. We are exporting vehicles built in North America for sale in Europe. We have franchised country-by-country distributors, who in turn have set up dealers. There are now over 600 dealers in Western Europe.

•

Q. How many cars do you reckon to sell?

A. We just started in May of 1988, not in all the countries, and did about 32,000 vehicles, and we expect to do 50,000 this year. We look forward to growing beyond.

Q. How will that work?

A. There will be two plants, one a Chrysler plant in North America for products for sale in North America; the other will be a plant in Europe jointly owned and run by Renault and Chrysler.

Q. Do you encounter sales resistance because you pulled out? Sometimes it's hard to get back into a market you've given up.

A. No, not really. Early response has been very encouraging. When we first considered four years ago re-entering the European market, we did some surveys and research and what we heard was that the image of Chrysler was 12 years old — that Chrysler builds big, gas-guzzling boulevard-type cars. The moment we started showing our current cars, minivans and jeeps in the auto shows in Europe and began to sell them, all that disappeared.

Q. Do you think you're over the image problem?

A. Oh, absolutely.

•

Q. You are pretty heavily involved in China?

A. We have two projects there. One is a joint venture with the municipality of Beijing for building jeeps; and the other is a project with the first automobile works of Manchuria to produce a line of four-cylinder engines of our design.

•

Q. What are you doing as a result of the conflict there?

A. We've pulled our non-Chinese families out of there for now and we are in a wait-and-see condition.

Q. But, coming back to Europe, you face a lot of competition in that Ford and General Motors both have large plants here and remained established when you pulled out.

A. Well, that's right.

Q. So it is going to be heavy going for you?

A. We don't see ourselves as competitors in Europe to Ford or GM. We are a lower volume distributor.

Q. What is Chrysler's main challenge in the years immediately ahead?

A. Our No. 1 priority is to re-establish Chrysler as the engineering company, measured in terms of innovation, of quality. For example, we are investing $1 billion in a new technology center to bring engineers together — our engineers' and suppliers' engineers — with state of the art laboratories to give them both the confidence that we mean what we say and give them the modern facilities to do it.

•

Q. It's often rumored that you will be the successor to Lee Iacocca.

A. It's too early to be worrying about things like that. Lee's going to be running the company for quite a while.

Soviets Report Troops End Uzbekistan Rioting

Reuters

MOSCOW — Soviet troops have regained control of towns and cities in the Central Asian republic of Uzbekistan after a week of ethnic violence that killed about 100 people, newspapers said Sunday.

Authorities issued statements that blame the rioting, the worst in the country for decades, on clandestine organizations bent on derailing the economic and political changes initiated by President Mikhail S. Gorbachev.

The Communist Party newspaper Pravda said that 7,000 Interior Ministry troops sent to the Fergana Valley, southeast of the Uzbek capital, Tashkent, had restored order following clashes in which Uzbeks hunted down Meskhetians, an ethnic minority that was deported to the republic 45 years ago.

"During the past 24 hours the situation has mainly stabilized and is being controlled in the region's cities and districts by police and Interior Ministry troop units," Pravda said, quoting the commander of troops in Fergana.

But Muslim sources in Moscow who have been in contact with activist groups in Tashkent denied that troops were in control. They said that crowds were besieging a police station in the town of Kokand, where 11 persons were reported to have been killed in clashes Friday.

The armed forces newspaper, Krasnaya Zvezda, said that about 100 people had died in the first few days of the disturbances and that 1,000 were injured.

Reports on Saturday had indicated that clashes were spreading toward the neighboring republic, Tadzhikistan, and had gone beyond the ethnic issue, degenerating into general rioting.

About 650 homes were destroyed in the disturbances, and refugee camps were set up to shelter more than 11,000 Meskhetians — Turkic Georgians who were deported to Central Asia by Stalin in 1944. About 15,000 Meshketians now live in the Fergana region.

Radio Moscow said that more than 400 Meshketians, most of them children, had been airlifted out of the republic.

Telephone links between Moscow and the region were not functioning, and foreign correspondents were barred from the area.

The Muslim sources in Moscow put the death toll of rioting over the last week at 159.

They said that local Muslim leaders were calling for all-out attacks on security forces, while religious figures sympathetic to the authorities had been sent in from Tashkent to appeal for calm.

The deputy chief of the Interior Ministry forces, Y. Nechayev, quoted in the army newspaper, blamed the riots on organized groups opposed to *perestroika*, Mr. Gorbachev's restructuring drive.

"We believe the actions of extremists are being directed by leaders with vested interests who are using malicious means to achieve their selfish goals," he said.

The newspaper said that groups in Kokand had tried to seize three large plants in the city, but were turned away.

Reuters

Meskhetians clustering in a refugee camp set up in the Fergana Valley of Soviet Uzbekistan after ethnic rioting in the republic.

Train Rams Bus In Russian South; 31 Dead, 14 Hurt

Reuters

MOSCOW — Thirty-one persons were killed and 14 were injured in the second Soviet rail accident in a week when an express train hit a bus stalled on a track crossing in southern Russia, Tass news agency reported.

The crash, involving a train carrying vacationers from Black Sea resorts, occurred less than a week after a gas pipeline exploded June 3 near the trans-Siberian railway, killing an estimated 400 people in passing trains.

Tass said the train and bus accident occurred Friday near the town of Kamenskaya, between the resort of Adler and the city of Voronezh. The report indicated there were no casualties among passengers on the train, the Adler-Voronezh express.

Tass said that the initial investigation of the crash showed that the bus driver had only held a full license since last month.

Mandela Is Awarded Gadhafi Rights Prize

Reuters

TRIPOLI, Libya — Nelson Mandela, the jailed South African nationalist leader, was awarded the first Gadhafi Human Rights Prize on Sunday, and his movement, the African National Congress, received prize money amounting to $250,000.

Mr. Mandela's daughter Zenani accepted the award, named for Colonel Moammar Gadhafi, the Libyan leader, from the the Libyan-financed International People's Committee.

Ryzhkov Outlines Bureaucracy Cuts

By Michael Dobbs
Washington Post Service

MOSCOW — Prime Minister Nikolai I. Ryzhkov, announcing plans to streamline the cumbersome Soviet bureaucracy, said the number of ministries and state committees would be cut from around 100 to 57.

His proposals came at the beginning of the inaugural session of the new Supreme Soviet, the Soviet Union's standing legislature, which is already proving more independent than its rubber-stamp predecessor over the decades.

The Supreme Soviet voted down several official candidates for posts of deputy chairmen of its two chambers, the Soviet of the Union and the Soviet of Nationalities.

At the Saturday session, Boris N. Yeltsin, the ousted Politburo member who has rallied a huge popular following by his attacks on Communist Party privileges, was elected chairman of a new commission on construction and architecture.

Only a handful of deputies voted against the appointment, which had been cleared with President Mikhail S. Gorbachev.

Before the vote, Mr. Yeltsin told the Supreme Soviet that he agreed with some of the criticism voiced last week by Andrei D. Sakharov, the human rights activist, about weak powers and functions of the Congress of People's Deputies.

The 2,250-member Congress, which adjourned Friday, elected the 542 members of the Supreme Soviet, which is to remain in session for up to eight months a year to oversee the government.

Mr. Yeltsin, who was dismissed as chief of the Moscow Communist Party in November 1987, said that the Congress had failed to give the Supreme Soviet sufficient power to tackle the country's growing economic problems.

"I am not convinced that in two years we will have improved the financial and economic situation in the country," Mr. Yeltsin said.

In his speech, Prime Minister Ryzhkov proposed reconfirmation of many key ministers, including Foreign Minister Eduard A. Shevardnadze, Defense Minister Dmitri T. Yazov, and Vladimir A. Kryuchkov as head of the KGB, the security police and espionage agency.

Mr. Ryzhkov, who was reconfirmed in his post Thursday, proposed a leading economist, Leonid I. Abalkin, as a deputy prime minister. Mr. Abalkin has criticized Mr. Gorbachev's changes as not going far enough to meet the country's serious economic problems.

Under the reorganization, many state committees dealing with industry are to be abolished or consolidated. Mr. Ryzhkov said their powers would be transferred to other ministries or to the 15 republics.

Democracy Makes Gain In Hungary

By Imre Karacs
Washington Post Service

BUDAPEST — The Communist Party of Hungary and leading opposition groups have signed an agreement to open discussions for a gradual transition to a multiparty democracy.

"This is a great victory on the road to democracy," said Peter Tolgyessy, spokesman of the Opposition Round Table, an umbrella group uniting the main non-Communist organizations. "We have waited for this for 40 years. The accord kindles hope that the country will get out of the present dead end and head for free elections."

In another indication of the changes under way in Hungary, the press has published a statement by the country's highest judge declaring as illegal the trial of Imre Nagy, prime minister during the 1956 uprising. When the Soviet Army crushed the uprising, Mr. Nagy was arrested and later executed.

The Communist Party itself said two weeks ago that the trial and execution had been illegal. Mr. Nagy is being depicted now as one of the "martyrs of the revolution."

On Friday, the 31st anniversary of the execution, a ceremonial reburial of Mr. Nagy is planned. His grave site had been a secret.

The agreement to open discussions, signed Saturday, suggests that Hungary will follow a process similar to that under way in Poland, where the Communist Party and the opposition Solidarity movement negotiated a broad program of changes, including the terms of elections.

Leaders in both countries say they hope to arrange an evolutionary move away from the Communist system, avoiding the periodic turmoil that has shaken Eastern Europe.

The agreement came after three months of talks between the Communist Party and the opposition about the shape of the negotiating table, the identity of the groups to be invited and the agenda.

The outcome was a complicated formula involving triangular talks around a four-sided table. The dialogue between the ruling party and the Opposition Round Table will also include a coalition of seven Communist-led organizations such as the official trade unions and the National Council of Hungarian Women. The table's fourth side is for observers.

The acceptance of equal participation for the third side, described by the opposition spokesman as "the party's strategic allies," is a setback for the opposition, which had insisted on direct talks between them and the Communists. But in return, the opposition won major concessions from the party on the substance of the talks.

"The purpose of the talks is to reach agreements that can be attached to the drafts of necessary state measures and legal regulations," the accord states.

'Sewer Gang' Bank Robber Is Dead

The Associated Press

HYERES, France — Albert Spaggiari, 57, mastermind of the spectacular "sewer gang" bank robbery in Nice in 1976 and on the run for the last 12 years, has died. His body was left in front of his mother's house by friends on Saturday, police reported.

Mr. Spaggiari was arrested shortly after the break-in, which was carried out over the weekend of July 17 to 19, 1976. But on March 10, 1977, he made a spectacular escape. While being interrogated by the investigating magistrate, Richard Bouaziz, he jumped through an office window and fled with the aid of an accomplice waiting outside on a motorcycle.

His body was brought to this Riviera city early Saturday by two men who then fled. Police specialists went immediately to the house to identify Mr. Spaggiari, who had undergone plastic surgery to alter his features.

Jacques Peyrat, Mr. Spaggiari's lawyer, said his client died of lung cancer on Friday. He said Mr. Spaggiari's mother notified him that the body had been left in front of her home.

Mr. Spaggiari, who had a photography business in Nice, organized the gang that tunneled into the Société Générale bank in Nice and, over the weekend, opened 337 safe deposit boxes and stole gold, jewelry and negotiable paper worth an officially estimated 46,483,522 francs ($6,835,812 at the time).

The gang had dug a tunnel 8 meters (25 feet) long from a sewer at the back of the bank. To reach the tunnel, they had to paddle rubber rafts more than 1.5 kilometers (1 mile) through the sewer.

Extremely well organized, they ferried in enormous amounts of equipment, including welding material, gas bottles, tools, food and hundreds of meters of cables.

After penetrating the strongroom and opening the 5-ton safe, the burglars welded shut the access door from the bank side. They then took their time opening the boxes, taking only negotiable valuables.

The burglars left behind a note that read: "Without hate, without arms, without violence."

■ *Other deaths:*

Pieter Lieftinck, 86, a former Dutch finance minister and a senior official at the International Monetary Fund, of heart failure Saturday in The Hague.

Antonio Macedo, 82, founder and honorary president of Portugal's opposition Socialist Party, of internal bleeding Friday in Oporto.

Jack Dash, 82, a British Communist known as "the unofficial king of the docks" and famous for his leadership role in the strikes on London's waterfront from 1945 to 1970, Thursday in London.

Tane Matsukata, 71, founder of the Nishimachi International School in Tokyo, of heart failure on Thursday in Tokyo.

WORLD BRIEFS

Burmese Drive on Guerrilla Center

MAE SOT, Thailand (AP) — Burmese troops began a major assault Sunday on a Karen guerrilla stronghold near the Thailand frontier, Thai border policemen said.

About 1,500 soldier troops backed by artillery and mortar fire attacked the rebel base of Pa Loo, which is defended by about 700 ethnic Karen guerrillas, the police said. About 2,000 Karen civilians and Burmese villagers fled Saturday, they said, as troops took control of areas near Pa Loo, 13 kilometers (8 miles) southwest of the Thai border town of Mae Sot.

The Karens are the largest of a dozen ethnic rebel groups that have battled for 40 years to win greater autonomy from Rangoon. Fighting has been intense in Karen state since the Burmese began a campaign last October to crush the insurgency.

Mediator Ends Effort in Italy Crisis

ROME (Reuters) — The president of the Italian Senate, Giovanni Spadolini, said Sunday that he was giving up mediation efforts and that a new government would have to wait until after elections to the European Parliament on June 18.

Mr. Spadolini was speaking after reporting back to President Francesco Cossiga on two weeks of fruitless efforts to resolve problems that brought down the five-party coalition three weeks ago.

President Cossiga will announce his next step Monday. A spokesman said that he had ruled out calling more exploratory talks. Mr. Spadolini said that a stalemate could force early general elections.

U.S. Puts 2d Navstar Satellite in Orbit

CAPE CANAVERAL, Florida (Reuters) — A Navstar advanced-guidance satellite for use mainly by U.S. military forces and NATO allies has been placed into orbit by a unmanned Delta-2 rocket.

The one-ton, $65-million Navstar Global Positioning System satellite put into orbit Saturday is the second in a 21-satellite constellation scheduled to be completed by 1992.

Case Seen Weakening in Palme Trial

STOCKHOLM (Reuters) — New developments appear to have weakened the prosecution's case against Carl Gustav Christer Pettersson, who is on trial for the 1986 murder of Prime Minister Olof Palme.

The police were examining a statement by Algot Asell, 68, a janitor who said he saw Mr. Pettersson on the night that Mr. Palme was shot and could provide an alibi for him. Meanwhile, a key prosecution witness said he had been manipulated by the police and would probably not testify against Mr. Pettersson.

"If the new information is deemed credible, the whole trial could fall apart," said Clas Borgstrom, a lawyer specializing in criminal law. Mr. Asell said he was 95 percent certain that he had seen the defendant on the night of Feb. 28, 1986, when Mr. Palme was killed. Mr. Pettersson pleaded not guilty when the trial opened on June 5.

Paper Says Iran Shelters 6 Hostages

LONDON (UPI) — Six Western hostages held in Lebanon have been moved to Iran in an attempt to insure their safety, The Observer reported Sunday. The paper said the hostages — five Americans and a British journalist — were transferred three weeks ago.

Two Americans and the journalist, John McCarthy, disguised as injured Lebanese, were moved to Damascus on May 24 and then flown to Tehran, the report said. A second group was said to have been moved May 29.

The Iranian interior minister, Ali Akbar Mohtashami, made the decision to relocate the hostages after fighting stepped up between Muslims and Christians in Lebanon, the newspaper said. Ali Akbar Rafsanjani, speaker of the Iranian parliament, said last week that if the United States wanted to win the release of nine Americans held in Lebanon it should work toward freedom for four Iranians missing in that country.

Britain Will Aid Poland on Its Debt

LONDON (AFP) — Britain is to invest £25 million ($40 million) over five years in Poland and is to help reschedule Warsaw's foreign debt, a British official said after the weekend meeting of the two countries' leaders.

Prime Minister Margaret Thatcher made the commitment to the Polish leader, General Wojciech Jaruzelski, prompted by Warsaw's program for change and the partly open legislative elections on June 4, the official said.

TRAVEL UPDATE

Pascal Rossignol/Reuters

A new "sniffer" apparatus that is able to detect explosives concealed in luggage being demonstrated at the Paris Air Show.

New Security Systems Shown in Paris

PARIS (AP) — Two new security systems capable of detecting currently undetectable explosives are being shown at the Paris Air Show.

The security systems, both being marketed for the first time this spring, were created by two American companies. The companies were invited by the Federal Aviation Administration to show the new technology during the 10-day gathering of thousands of industry professionals at Le Bourget Airport, north of Paris.

Thermedics Inc. of Woburn, Massachusetts, is showing a "sniffer" that detects chemical vapors. Science International Applications Corp. of Santa Clara, California, has an apparatus that analyzes a chemical "fingerprint."

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Australia, Paraguay, Philippines.
TUESDAY: Portugal.
SATURDAY: Hong Kong, Iceland, West Germany.
SUNDAY: Egypt, Monaco, Sri Lanka.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

To Our Readers

Because of a strike of personnel in the French meterological service, we are unable to provide data for Europe, Africa or the Middle East.

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	26	79	s
Beijing	25	77	15	59	s
Hong Kong	31	88	27	81	s
Manila	32	90	24	75	s
New Delhi	—	—	—	—	na
Seoul	24	75	14	57	s
Shanghai	33	91	24	75	s
Singapore	33	91	27	81	t
Tehrel	31	88	22	72	s
Tokyo	26	81	13	55	s

LATIN AMERICA

Buenos Aires	—	—	—	—	na
Lima	—	—	—	—	na
Mexico City	30	86	15	59	s
Rio de Janeiro	—	—	—	—	na

NORTH AMERICA

Anchorage	16	61	9	48	pc
Atlanta	31	88	20	68	pc
Boston	24	75	14	57	pc
Chicago	24	75	15	59	t
Denver	29	84	13	55	pc
Detroit	28	82	18	64	t
Honolulu	30	86	23	73	pc
Houston	33	91	22	72	pc
Los Angeles	23	73	14	57	pc
Miami	33	91	24	75	pc
Minneapolis	28	82	16	61	pc
Montreal	22	72	10	50	t
Nassau	32	90	25	77	pc
New York	27	81	16	61	t
Phoenix	42	108	26	79	pc
San Francisco	19	66	11	52	pc
Seattle	22	72	11	52	pc
Toronto	27	81	20	68	t
Washington	28	84	19	66	t

cl-cloudy; fa-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

THE Perfect Savings Partnership

14 DAYS NOTICE DEPOSIT
11·75% PA GROSS
for your short term savings
£5,000 minimum deposit
Interest credited quarterly
Rates are variable

1 YEAR FIXED DEPOSIT
12·25% PA GROSS
for your longer term investment
£1,000 minimum deposit
Interest paid at the end of the deposit period

Rates correct at time of going to press

Now you can benefit from the advantage of the perfect savings partnership offered by Lombard.

The easy access 14 day notice account is ideal for your short term savings but will earn a good rate of interest. And for your longer term needs, there is the one year fixed deposit where the rate of interest is guaranteed not to change during the period of deposit.

Whether you choose one or both of these you can be assured that your Lombard deposit account will be confidential.

As an added benefit for overseas residents, all interest is paid without deduction of tax at source.

All this adds up to the perfect savings partnership – what more could you wish for your money?

You can find out more without any obligation simply by completing the coupon and sending it to Lombard for your free copy of our brochure.

To: Stephen Carter, Lombard North Central PLC, 38A
Banking Services Department 492, 38a Curzon St. London W1A 1EU
Tel 0737 774111 Ext 3991

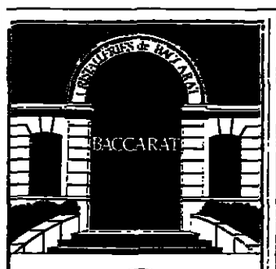
Please send me, without obligation, a copy of your deposit account brochure and current interest rates. (Please write in Capital letters)

NAME (MR/MRS/MISS) _____

ADDRESS _____

Registered in England No. 339084. Registered Office: Lombard House, 3 Princess Way, Redhill, Surrey RH1 1NP England. A member of the National Westminster Bank Group whose capital and reserves exceed £4,000,000,000.

Lombard
The Complete Finance Service
Deposit Accounts

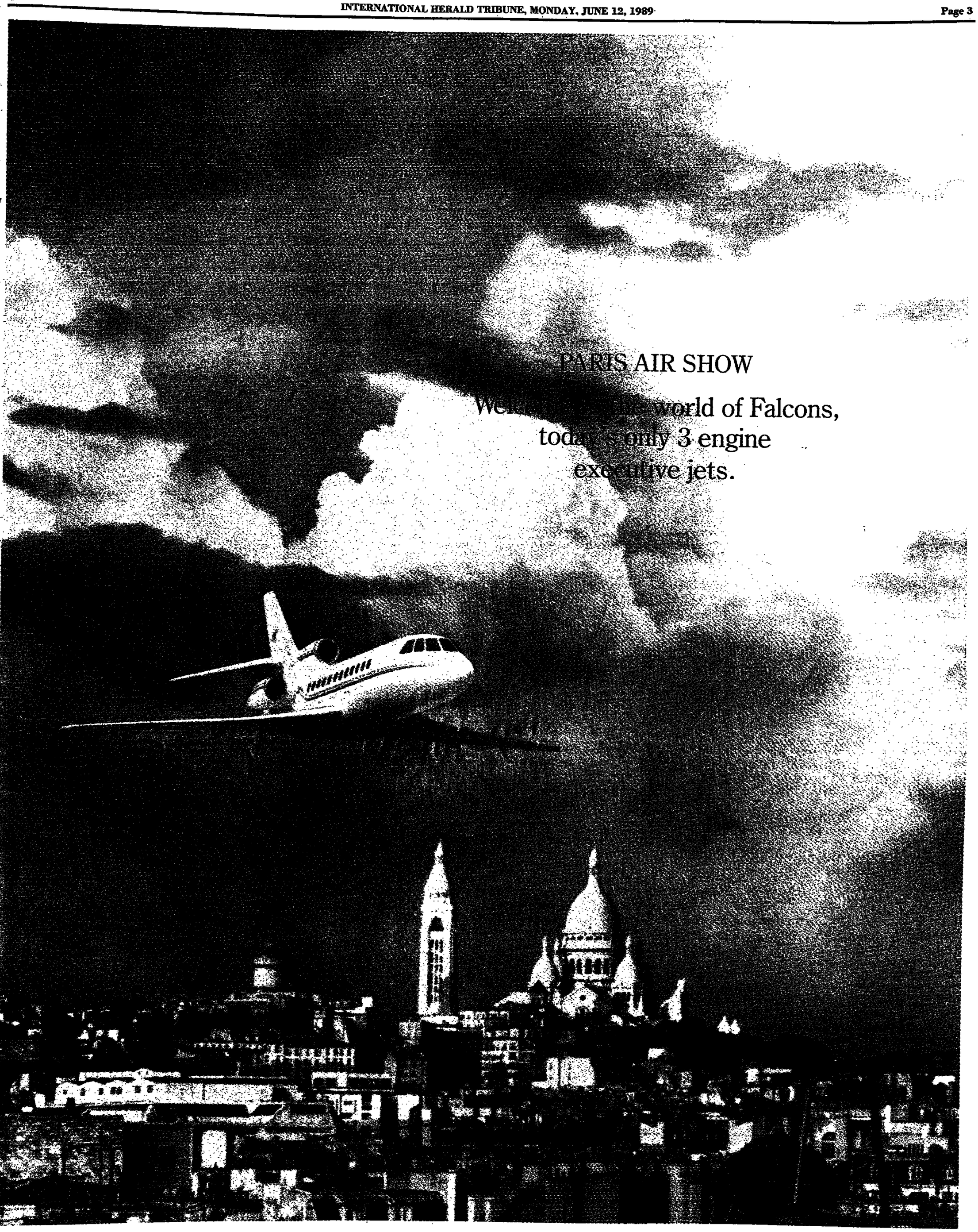


Baccarat
Crystal gifts & tableware
30 bis, Rue de Paradis
75010 PARIS
(thru the archway)
Tel.: 47 70 64 30
When in Paris... visit our Museum and sales floor
Open Monday - Friday
9 a.m. to 6 p.m.
Saturday 10-12 a.m., 2-5 p.m.
Brochures on request

Leather craftsman for the best designer labels,
MERENLENDER
presents
his own collection
for his/her superb
custom-made
Leather Fur Rainwear
(Fitting within 24 hrs.)
3, Faubourg St-Honoré (3rd floor)
75008 Paris - Tel.: (1) 42.65.12.36

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
For Work, Academic, Life Experience
Send detailed resume for free evaluation
PACIFIC WESTERN UNIVERSITY
600 N. Sepulveda Blvd.
Los Angeles, California
90049, Dept. 23, U.S.A.

Raffinée...
"Ceux dont je guide l'exigence somptueuse et raffinée sont bien vite acquis à cette eau magnifique."
LASSERRE
Aux meilleures tables, exigez VOLVIC
•VOLVIC•



Welcome to a world of uncompromised safety and top performance, superb design and ultimate comfort.

Welcome to the world of Falcons at the PARIS AIR SHOW, 1989 June 9th to 18th.

DASSAULT INTERNATIONAL

Menem Seen Taking Over in Argentina in August

By James Brooke
New York Times Service

BUENOS AIRES — President-elect Carlos Saúl Menem would assume office four months early under a political arrangement nearing completion here. The deal is an attempt to end Argentina's political impasse after Mr. Menem's election in May and widespread rioting caused by rapidly rising prices.

"I would say the first half of August," Eduardo Menem, president of the Senate and brother of the president-elect, said Saturday when asked about the new transfer date.

The accelerated timetable comes after the worst riots in Argentina in a decade over food prices. In May, the month of the presidential elections, prices jumped 78 percent; June's inflation is expected to be 100 percent.

With the lame-duck government unable to impose economic order, President Raúl Alfonsín's representatives and leaders of Mr. Menem's Peronist movement met last week to discuss advancing the scheduled Dec. 10 inauguration.

The Peronists, who will not have a congressional majority until newly elected legislators take office in December, want agreement on an economic and social program with Mr. Alfonsín's Radical Civic Union Party.

Peronist demands include amnesty for military human-rights violators, a six-month extension of the state of siege declared two weeks ago, a new currency and streamlining of the tax system.

In the so-called dirty war against leftist guerrillas, Argentina's military killed about 9,000 people in the 1970s. During Mr. Alfonsín's presidency, the military has been shaken by human-rights trials and military uprisings.

Charging that the military problem "comes from this government," Mr. Menem has suggested that it would be "convenient, necessary and logical" for Mr. Alfonsín to resolve it.

In response, Radical Civic Union Party officials have vowed that a military amnesty will not be part of the political package that Mr. Alfonsín and Mr. Menem are expected to ratify this week.

Under the deal, after Argentina's provincial electoral colleges formally declare Mr. Menem the president-elect later in June, Mr. Alfonsín would send to Congress a bill setting a new date for the start of his successor's term. That would allow Mr. Alfonsín to step down early without resigning.

Late last week, Mr. Menem completed the selection of an eight-member cabinet that includes two non-Peronists — Domingo Cavallo, a Harvard-trained economist who is to be foreign minister, and Miguel Roig, a retired business executive who is to be economics minister.

In a surprise appointment, the State Intelligence Secretariat, a domestic security agency, would be headed by a journalist, Juan Bautista Yofre, the political editor of Ambito Financiero, a financial daily.

Mr. Menem may not enjoy labor peace. His designated labor minister, Jorge Triaca, has crossed swords with Saúl Ubaldini, leader of the Peronist-controlled General Confederation of Labor.

"There will be not be any general strikes during the first two years of Peronist government," Mr. Triaca said recently. Mr. Ubaldini's response: "Striking is a constitutional right."

During Mr. Alfonsín's presidency, the confederation called 13 general strikes.

■ 'No' on the Falklands

Mr. Menem said that his government would "acknowledge no sovereignty" other than Argentina's over the Falkland Islands, but that he was willing to discuss the issue with Prime Minister Margaret Thatcher of Britain, Agence France-Presse reported from Buenos Aires.

Mr. Menem promised Saturday that his government "will launch a diplomatic offensive on all fronts" to obtain sovereignty over the Falklands, which the Argentines call the Malvinas Islands. As part of the effort, Mr. Menem said he would be willing to meet with Mrs. Thatcher.

In 1982, Britain defeated Argentina in a six-week war over the islands, continuing a dispute over control that began in 1833.

Mugged Youth In N.Y. Takes His Revenge

United Press International

NEW YORK — A young man mugged in a Brooklyn subway station returned to the station the next night and shot and wounded three youths, including two who were later charged in the mugging, Transit Authority officials said Sunday.

The man spotted the youths when they entered the Grand Army Plaza station Saturday night and asked "Remember me?" as they approached the token booth, said a Transit police spokesman, Al O'Leary.

Mr. O'Leary said the man turned away from the six youths "and then turned back toward them, facing them with a 9mm handgun, and he opened fire." Three of the youths were hit by gunfire as the rest scattered. The gunman fled.

Two of the three who were wounded were later charged in the Friday night mugging, in which they allegedly threatened the man with a hammer and stole his gold chain and bracelet, Mr. O'Leary said.

Both the gunman, who is 17 or 18 years old, and the youths are black, unlike the celebrated 1984 incident involving Bernhard Goetz, the white electronics specialist who shot four black youths he thought were about to mug him in a case that fanned racial tensions in the city.

FBI Alleges Energy Dept. Hid Offenses At A-Plant

By T.R. Reid and Bill McAllister
Washington Post Service

DENVER — The Federal Bureau of Investigation has charged that senior executives in the Energy Department knew for years about illegal toxic-waste procedures at the Rocky Flats nuclear weapons plant near here but lied to conceal the violations.

As a result, according to an affidavit filed in U.S. District Court, the FBI undertook secret ground and aerial surveillance of the federal agency's plant. Last week, as a result of the investigation, 75 federal law enforcement officials raided the plant.

The affidavit, given by the top FBI environmental law agent in Denver, charges that Energy Department officials in Washington were fully aware of the violations. It quotes a 1986 Energy Department memo warning top officials that some waste practices at Rocky Flats were "patently 'illegal.'" The internal memo said that misleading Energy Department statements had kept the public from knowing "just how really bad the site is."

The documents also said the department awarded the operator of the plant, Rockwell International Corp., millions of dollars in performance bonuses despite evidence of illegal activity.

In Washington, the Energy Department declined to comment on charges in the affidavit but issued a statement saying that it might comment on the investigation this week.

The problems at Rocky Flats pose tough political questions for President George Bush and the Democratic governor of Colorado, Roy R. Romer, both of whom have authority to stop work there.

If they permit the plant to continue operating, they may face charges of endangering neighborhoods surrounding the site, 18 miles (29 kilometers) north of Denver. But shutting the only plant making plutonium weapons in the United States would cut supply to the national nuclear arsenal and could cost economically depressed Colorado nearly 6,000 stable, well-paid jobs.

The investigation could seriously hurt Energy Secretary James D. Watkins's effort to fight off legislation that would place his department's nuclear facilities under independent scrutiny, congressional staff aides said.

The aides said, however, that the seriousness of the allegations could give Mr. Watkins the incentive to "clean house."

"Politically, it should be sending shock waves through the Department of Energy," a Senate aide said.

Governor Romer expressed outrage Friday about the toxic dangers set forth in the affidavit and about the fact that investigators had kept the information secret for months.

Special Agent Jon Lipsky of the FBI reported that he flew repeatedly over the Rocky Flats site in an FBI surveillance plane last December and said he saw toxic pollutants being released into the atmosphere from an incinerator and a waste-water plant.

Mr. Romer did not learn of this until Friday, when the affidavit was unsealed after the Rocky Mountain News of Denver took legal action. "It's absolutely inexcusable," the governor said, "that the information was kept from the people of Colorado."

AMERICAN TOPICS

Mailman Becomes A Postal Immortal

Unlike most people whose names adorn federal buildings, Walter Edward Grady never served in Congress or the cabinet, nor was he rich or famous. Yet a new post office on Staten Island in New York City is about to be named in his honor.

Mr. Grady worked there for 27 years as a letter carrier. He died in 1980 at the age of 51, and he is something of a legend. He was relisbility itself — during his career he missed only three days of work. People along his route remarked on his friendliness and courtesy.

Legislation sponsored by Representative Guy V. Molinari, Republican of New York, will make Mr. Grady the first U.S. letter carrier to have a post office named after him.

This "sets a worthy precedent," The New York Times said in an editorial. "Being immortalized in the title of a government building, paid for with taxpayer dollars, ought not to be reserved only for big shots."

Short Takes

Washington Cathedral, the world's sixth-largest, is expected to be completed with the ceremonial placing of the final stone on Sept. 29 of next year, 83 years to the day from the laying of the cornerstone in 1907. Another Episcopalian edifice, the Cathedral of St. John the Divine in New York, was begun in 1892, but construction was suspended from 1941 to 1981. Completion of this world's largest Gothic cathedral is decades away.

The Japanese have been buying California wineries for years, so it is hardly news that Kohnan Co. of Japan is setting up a winery in the Napa Valley. But the winery will make sake, the rice wine of Japan, rather than grape wine. But why the Napa Valley instead of on cheaper land, as good for rice if not better, among the rice fields of the Sacramento Valley? Because Napa is a prestige name in Japan, a spokesman says, and the company wants the prestige.

Now that President George Bush has stated a fondness for pork rinds, sales are booming for this snack made of smoked, fried hog skin, according to Rudolph Foods Co. of Westminster, Ohio, and Evans Food Products, the two biggest makers of pork rinds. Nutritionists say the rinds have more protein and less fat than peanuts, and one-tenth the cholesterol found in eggs. But they are twice as salty as potato chips.

A sign spotted in the window of a Manhattan hardware store by Elsieliese Thrope and reported to the Metropolitan Diary Column of The New York Times:

WE REPAIR EVERY TYPE OF VACUUM CLEANER

Just below the first sign was a second sign:

NEEDED AT ONCE: EXPERIENCED VACUUM REPAIR PERSON

Notes About People

Thomas S. Foley, the new speaker of the U.S. House of Representatives, likes to tell of a memorable baptism of fire shortly after he first came to Congress in 1964. He was at a Washington airport waiting for a flight home when an airline agent approached and told him, loudly, that he had a phone call from President Lyndon Johnson. He was led to a private room. "A familiar Texas voice comes on and says 'John'?

I said, 'No, Mr. President, Tom Foley.' [Expletives.]

'I wanted John Fogarty of Rhode Island.' Bam."

Mr. Foley said that when the president slammed down the phone, it was "the single most deflating moment of my political career." But he said to himself, "Who knows?" So he waited a few minutes, then walked outside. When the agent asked if he had finished his conversation with the president he said yes. When he got back to the plane, his ticket had been upgraded to first class at no extra charge.

The House minority whip, **Newt Gingrich,** heads a Nielsen family — one of the 4,000 U.S. households that judge television

Bruce Allen/Reuters-UPI

Newt Gingrich, the House minority whip and a member of one of the 4,000 Nielsen television research families.

shows for Nielsen Media Research. So a neighbor, David Corn of The Nation magazine, discovered when he found a Nielsen card addressed to the Gingriches that had fallen on the floor of their apartment house lobby. Mr. Gingrich confirmed that he and his wife Marianne are "doing our share for tastelessness."

Mickey Mantle, the former New York Yankee outfielder, recalled in a New York Post interview that he once joked to Yogi Berra that the position of catcher was overrated. But Berra, a catcher, took him seriously. So in a game against Detroit, with Whitey Ford pitching, "the three of us made a deal" — Mantle signaled the pitches from the outfield. "Well, it's about the seventh inning," Mantle said, "and we're winning, 1-0. That's when I'd had enough. I stopped. No kidding, I got scared. I thought I'd give up a home run, or something."

Arthur Higbee

U.S. Investigators Find Housing Agency Fraud

By Philip Shenon
New York Times Service

WASHINGTON — Investigators say they have uncovered a nationwide pattern of embezzlement by contractors working for the Department of Housing and Urban Development, who they say have taken millions of dollars the government should have received from the sale of houses it had foreclosed on.

The investigators say private escrow agents working for the department took the money with little fear that auditors would detect the losses.

The inquiry by the Justice and Housing and Urban Development departments has already resulted in the indictment of a private escrow agent under contract to HUD in Dallas. The agent was recently accused of embezzling $2.5 million.

Another private escrow agent, in Maryland, has told the housing agency that she diverted as much as $5.5 million to charity. Marilyn Louise Harrell said that extraordinarily lax management at the housing department in the last four years had allowed her to divert government money to feed, clothe and shelter the poor in the suburbs of Washington.

"It was kind of scary," said Ms. Harrell, 46. "But there were so many hurting people. We bought them groceries. We paid their electric and gas bills so they could be warm. We paid their rent. I figured that as long as I was going to go to jail anyway, I would help a few people with the time I had left."

"There are several investigations and / or prosecutions in which the loss to HUD, or the funds allegedly appropriated to HUD, exceed $1 million each," said an assistant U.S. attorney, Gary P. Jordan, who is handling the Maryland case.

In the Texas case, Reba Louise Lovell, 36, has been charged with stealing $2.5 million from the sale of 55 government-owned private homes around Dallas. The homes were sold over a four-month period last year and brought $15,000 to $70,000 each.

The investigation involving the agents is separate from congressional inquiries into charges that influence-peddling at the department permitted more than a dozen former Reagan administration officials and prominent Republicans to benefit from a federal housing program for low-income people.

As a result of the investigation, the secretary of housing and urban development, Jack F. Kemp, ordered the agency's field offices last week to tighten procedures for sale of HUD-owned properties. He also announced that the agency would retain a prominent accounting concern to "determine the financial and managerial integrity of the system."

Bush Team Is Split on Ozone Policy

Washington Post Service

WASHINGTON — The Bush administration is sharply split over how to deal with the nation's growing ozone problem as President George Bush prepares to announce on Monday his long-awaited proposals for revising the Clean Air Act.

The Environmental Protection Agency administrator, William K. Reilly, has proposed mandatory cutbacks for oil and auto companies, but other White House advisers have promoted a free-market approach.

Officials said Mr. Bush appeared to be leaning toward the free-market plan, which would allow industry to choose its own strategy for meeting broad pollution-reduction targets.

This approach is strongly opposed not only by Mr. Reilly but also by environmentalists and their allies in Congress, who argue that automakers and oil companies cannot be counted on to reduce emissions of ozone's key ingredients without specific requirements and deadlines for control of tailpipe exhausts and use of alternative fuels.

But officials said Friday that Mr. Bush had agreed to measures to curtail acid rain and that the measures were expected to be viewed more positively by environmentalists. The plan approved by Mr. Bush calls for a 10-million-ton reduction in sulfur dioxide emissions by the dirtiest U.S. utilities by the year 2000.

35 Renamo Rebels Killed

Agence France-Presse

MAPUTO, Mozambique — Government soldiers killed 35 rebels belonging to Renamo, or the Mozambique National Resistance, who attacked a state farm in central Zambezia Province, the armed forces said Saturday.

5 in North Africa Form Parliament

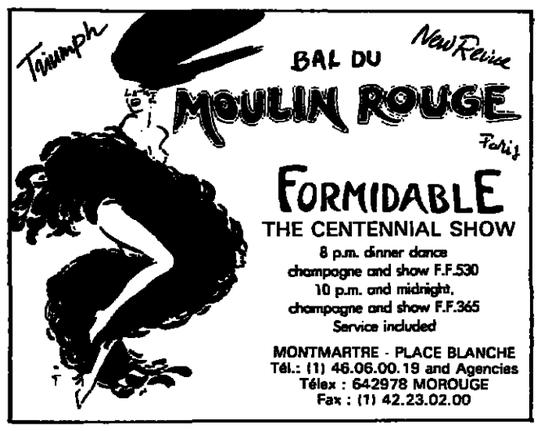
Reuters

ALGIERS — Five North African nations have formed a joint parliament as part of plans for a common market stretching from the Atlantic to the eastern Mediterranean.

The five, Algeria, Libya, Mauritania, Morocco and Tunisia, founded the Arab Maghreb Union in February to promote political and economic integration and meet the challenge of the single market due to be set up by the European Community in 1992.

"All of the Maghreb must mobilize its immense potential and exploit it rationally to face its neighbors to the north as a partner with weight," Rabah Bitat, president of the Algerian National Assembly, told the parliament's first session on Saturday.

WORLDWIDE ENTERTAINMENT



INTERNATIONAL Herald Tribune
Published With The New York Times and The Washington Post

Now Printed in New York For Same Day Service in Key American Cities.

To subscribe call us toll-free in the U.S.:
1-800-882 2884.
(In New York, call: 212-752 3890.)
Or write: International Herald Tribune, 850 Third Avenue, New York, N.Y. 10022.
Or Telex: 427175. Or Fax: 212-755 8785.

A CENTURY OF NEWS
FROM THE ARCHIVES OF THE INTERNATIONAL HERALD TRIBUNE 1887 - 1987

This handsome, large-format book allows such excellent reproduction of historic Herald Tribune material that you'll be poring over the pages with the same intense excitement as the original readers. Not only front pages — with such news headliners as Queen Victoria, Charles Lindbergh, the first astronauts, right up to Reagan and Gorbachev — but also interviews with famous figures, feature articles, memorable sports pages and fascinating "retro" advertising. All from the paper that's been in tune with its time for over 100 years.

The book, compiled by Bruce Singer, starts off with an entertaining introduction by Art Buchwald. Material is organized by decades, with a review of each 10-year period from historical and journalistic viewpoints.

A superb personal or business gift. Hardcover (27 x 37 cm/10.5 x 14.5 in) 188 pages of reproductions and illustrations. Co-published with Thames & Hudson (London) and Harry N. Abrams (New York). Available in book stores and from the International Herald Tribune.

Payment is by credit card only. All major cards are accepted. (Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be accepted.)

Please charge to my credit card: ☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ MasterCard ☐ Visa

Card no. _____ Exp. date _____

Signature _____
(necessary for credit card purchase)

Herald Tribune
Book Division, 181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Please send me _____ copies of A CENTURY OF NEWS FROM THE ARCHIVES OF THE INTERNATIONAL HERALD TRIBUNE, at U.S.$45.00 each, plus postage: $5 each in Europe; $14 each all other countries.

Name _____
(IN BLOCK LETTERS)
Address _____
City/Code _____
Country _____

12-6-89

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
330 W 56 St NYC 10019
212-765-7896
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

MERCEDES
V.I.P ESCORT AGENCY
5 PM TILL MIDNIGHT - 7 DAYS
MAJOR CREDIT CARDS ACCEPTED
TEL:LONDON
(01) 351 6666

LONDON
KENSINGTON
ESCORT SERVICE
10A Kensington Church St, W8
TEL: 937 9136 or 937 9133
All major credit cards accepted.

LONDON
Portman Escort Agency
67 Chiltern Street
London W1
Tel: 486 3724 or 486 1158
All major credit cards accepted

ARISTOCATS
London Escort Service
3 Shouldham Street, London W1
All major Credit Cards Accepted
Tel: 01-258 0090 (3 LINES)
12 noon - midnight

*** ZURICH ROMANA ***
******* Multilingual *******
******* Guide Service *******
*** Youll Call: 01/ 383 08 55 ***

ESCORTS & GUIDES

RITZ, NEW YORK
ESCORT SERVICE
212-779-9636

ULTIMATE
"10"
N.Y. ESCORT SERVICE212-888-1666

CAPRICE-NYC
ESCORT SERVICE IN NEW YORK
TEL: 212-737 3291

MAYFAIR CLUB
ESCORT SERVICE from 5pm
ROTTERDAM (0)10-4254155

NEW YORK
INTER FACES
ESCORT SERVICE
212-956-7900

NORDIC FAIR
ESCORTS
212-727-0558
NEW YORK

PRESTIGE
NEW YORK ESCORT SERVICE
(212) 688-2512

ESCORTS & GUIDES

ZURICH 558720
Private Tourism Guide Service
Credit Cards Accepted

ELEGANCE
LONDON FIRST CLASS
ESCORT SERVICE TEL: 01 625 5127.

CHELSEA ESCORT SERVICE
51 Beauchamp Place, London SW3.
Tel: 01-584 6513/7749 (4-12pm)

ZURICH
Caroline Escort Service 01/252 6174

GENEVA * MELODIE
ESCORT SERVICE. Tel: 022/461158

GENEVA
Top Escort Service. Tel 022/7866084

ZURICH SUSAN
ESCORT SERVICE. Tel: 01/312 37 53

GENEVA*DESIREE*
ESCORT SERVICE. 022 / 21 99 61

ZURICH
Top Escort Service. Tel: 01/41 76 09

NEW TOP LUXURIOUS ESCORT
French, Italian, German
EXCLUSIVE VIP SERVICE.
LONDON Latest 581-2069.

BRUSSELS. CATHY
High Class Escort Service. Tel: (02) 734-1586. Accept American Express

ESCORTS & GUIDES

PENTHOUSE High class Escort Service. Tel: 0211/491633. Duesseldorf / Cologne, Munich

MADRID IMPACT ESCORT and Guide Service. Multilingual. Mon. Open 11am - midnight. Tel: 261 4142

TOKYO *** TOP ESCORT SERVICE Major credit cards accepted. Tel: (03) 436-4598.

PLATINUM AND GOLD ESCORTS
Tel 01 603 5727.

****LONDON MARILYN****
LADY ESCORT SERVICE***
Tel: 01-386 7671***

OVERSEAS ESCORT CLUB
LONDON - PARIS Connection.
Tel: 01-289 5545

***** H A M B U R G *****
Escort Service ********** Tel: 040/533 41 45.

— ZURICH ? DIANA —
escort Service
Tel: 01-271 38 55

********** TOKYO **********
First Class Escort / Guide Service. Tel: (03) 351-2278

SHADOWS****
Escort Service. Telephone Madrid 341-262-6536.

*** GENEVA DANY ESCORT *** and Guide Service. Tel: Geneva 022 / 735 68 23.

MILAN VIP Escort Service (2)461125

*** MADRID *** CHRISTIE ***
Guide Service. Telephone (341) 571 52 62.

ORIENT JAPANESE CHINESE THAI Escort service. Days and evenings. Please telephone 600 7194 London.

"DOMINA" Duesseldorf / Berlin / Cologne /Bonn/Essen. All areas Escort Service 0211/37 11 61

MUNICH **** SECRETS ****
311 11 06 448 40 38
Escort & Guide Services

* GENEVA * BEST SELECTION *
***** VIP ESCORT SERVICE *****
TEL: 46.11.91

ESCORTS & GUIDES

ROME GIRL ESCORT SERVICE.
Telephone: 06-6390053.
4pm - 10 pm

BRUSSELS NEW. ILONA'S ESCORT Service. Multilingual. Tel: 02-733 88 47. Credit cards accepted.

PRESIDENTIAL
VIP ESCORT AGENCY - 7 DAYS
London 01 243 0091 - 0860 239782.

MILAN & LUGANO EXCLUSIVE ***** Multilingual Escort Service. Tel: (39-2) 867.07.

LONDON NATASHA
VIP Escort Service
Knightsbridge 221 4410

LONDON JAPANESE ESCORT. Tel: 370 5957 major credit cards. GENEVA area available.

BELLA ESCORTS Central London and Heathrow. Credit cards accepted. Tel: 01-581 5642

***** LONDON PARIS LINK *****
Colette + Clair French Exclusive VIP Escort Service. London (01) 351-1152

*****MUNICH + 91 23 14*****
ESCORT AND GUIDE AGENCY.
The Friendly Service.

*****OSLO ESCORT SERVICE
Every day from 1pm - 11pm. Tel: +472 445509

AMSTERDAM JASMIN Escort Service. Tel: 020-3208333. The best in town. Credit cards accepted.

AMSTERDAM 2000 Escort Service. All credit cards accepted. Telephone: (0) 20 - 911030

F R A N K F U R T - "TOP TEN" ESCORT SERVICE. 069/ 55 88 26. THE BEST IN TOWN.

LONDON ELITE
PRIVATE ESCORT SERVICE
From 6 pm London 01-589-4196

*** FRANKFURT *NEW LADY*** Exclusive Escort Service/Domina too Tel: 069/49 74 01

Vienna young escort service 859985

*** FRANKFURT ***
Princess Escort Service, 7 days.
Tel: 069 / 666 25 64.

AMSTERDAM BERNADETTE ESCORT Service. Number One. Telephone: (0) 20-327799 or (0) 20-362833.

GENEVA *** ROYAL *** GENEVA
***** VIP ESCORT SERVICE *****
***** Tel: 022 / 781 27 72 *****

Jeremy Hartley/Agence France-Presse

Sudanese children waiting for food at a UN-sponsored distribution center in Muglad in the south.

Envoys Find Plans for Indochina Refugees Sketchy

By Steven Erlanger
New York Times Service

BANGKOK — An international conference to ratify plans to cope with Indochina refugees begins Tuesday in Geneva, but diplomats and UN officials say the plans are sketchy and do not deal with the crisis in Hong Kong.

They say the plans also avoid an inevitable long-term issue: the forcible repatriation of Vietnamese who flee for economic reasons.

Since the last such conference 10 years ago in Geneva, said an official with the UN High Commissioner for Refugees, "the boat people have gone from objects of compassion and patriots fleeing Communist tyranny to objects of official scorn and even brutality.

"You could say that the sheer and continuing numbers of Vietnamese have outstripped the world's capacity for compassion," he added.

"I suppose it's better than saying that most of the world has simply stopped caring. But in Geneva we are about to confirm that what is considered a right for others — to flee one's country and seek asylum elsewhere — will be denied the Vietnamese."

Other United Nations officials and diplomats are less harsh.

They see the Geneva meeting as an honorable attempt to restore the principle and practice of first asylum among the countries of Southeast Asia in return for a renewed Western effort to resettle the Vietnamese who linger in camps throughout the region, while trying to stem the continuing flow by separating "legitimate" refugees from "economic migrants."

But no one expects the meeting to provide a comprehensive solution, which many officials think will finally involve the forcible repatriation of those who do not qualify as refugees — an option opposed by the United States, Vietnam and the high commissioner's office.

Ten years ago, everyone fleeing Vietnam was considered a refugee — someone with "a well-founded fear of persecution for reasons of race, religion, nationality, membership of a particular social group or political opinion."

Under the new policy, Vietnamese who flee will be screened to see whether they qualify under the definition or are migrants suffering no undue fear of persecution but simply seeking a better life.

Despite resettlement in the West of 1.2 million Indochinese since 1975, the deterioration of the 1979 agreement has made the conference necessary.

In addition to about 75,000 Laotians in Thai camps and at least 300,000 Cambodians inside Thailand who have been displaced by war, there are about 90,000 Vietnamese in camps throughout Southeast Asia, the highest figure since 1979.

Hong Kong alone is trying to cope with 42,000; 500 are arriving every day.

"We have run out of room," Sir David Wilson, governor of Hong Kong, said last week in London.

As of June 16, 1988, Hong Kong began to treat all new arrivals as illegal immigrants until they could prove, during a screening process, that they were refugees.

The countries of the Association of South East Asian Nations — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand — announced that they would begin screening all those who arrived after mid-March.

But, rather than stopping the flow, the announcement seemed to have increased it.

Regionally, about 37,000 arrived after the cutoff dates and will be screened.

Western governments have now promised to resettle over the next three years the 53,000 who arrived before the cutoff dates and who are therefore automatically considered refugees.

Historically, the United States has accepted about 60 percent of Indochinese refugees.

American officials say that, in Geneva, the United States will offer to accept about 40 percent of the 53,000, some of whom have been previously rejected for resettlement, and a larger percentage of those who qualify as refugees after screening.

The UN refugee office is working for a basically uniform screening process throughout the region, but the details are still to be worked out and the screeners trained.

The screening, which will not start much before autumn, will be done separately by each nation. UN refugee officials will act both as advocates for the Vietnamese and regional coordinators of the program, a role that will require much delicacy.

Screening of Laotian refugees by the Thais, which began in 1985, has been marked by petty corruption; payments are sometimes required for a screening, and selection is made less on the grounds of persecution than on the resettlement criteria of Western countries.

Officials of the UN refugee office acknowledged that there were likely to be similar problems in screening the Vietnamese.

More important, however, is a disagreement among Western countries about what percentage of those who have fled are legitimate refugees.

Carl B. Harris, who worked with the refugee office for nearly five years, argues that as many as 70 percent of the 3,000 heads of families interviewed in 1988 had experienced serious discrimination or re-education for political or racial reasons, and thus should qualify as refugees.

Although it is true that they also want a better life for themselves and their families, Mr. Harris said, it is wrong to assume, as many Western officials do, that a huge proportion of those fleeing Vietnam now are simply economic migrants.

A senior U.S. official familiar with Mr. Harris's arguments said the United States felt that the proper figure to accept was probably between 40 percent and 60 percent.

Screening has already begun in Hong Kong, but so far only 9.6 percent have qualified as legitimate refugees, and those largely on the grounds that their families will be reunified if they qualify.

Those rejected have a right to appeal — but no right to a personal appearance before those who decide their fate.

Hong Kong officials attribute the low figure to the fact that at least 70 percent of the people arriving in the colony are from northern Vietnam. Persecution is more easily proved by those who took part in the U.S.-backed government of the south.

One of the main tasks of the conference will be to try to provide Hong Kong some form of quick fix, diplomats say.

One possibility would be to allow many of those who arrived before the cutoff date to jump the line and move immediately to refugee processing centers in the Philippines.

The risk is that, if Hong Kong unilaterally resorted to forcible repatriation or to pushing boatloads of people back to sea, the pressure on ASEAN countries to abandon the right to first asylum would be intense, officials say.

Sudan Opens Talks With Guerrillas

Reuters

ADDIS ABABA, Ethiopia — The government of Sudan and rebel guerrillas have started their first high-level formal talks aimed at ending six years of civil war in the south of the country.

Sidahmed Hussein, the Sudanese deputy prime minister and foreign minister, embraced a rebel commander, Lam Akol, in front of television cameras before beginning talks in the Ethiopian capital that are expected to last three days.

Mr. Akol, of the Sudan People's Liberation Army, urged the government to fully put into effect a peace accord signed in November by the guerrilla group and the Democratic Unionist Party, a partner in the coalition government of Prime Minister Sadek Mahdi.

The Sudan People's Liberation Army has been fighting since 1983 to end what it sees as the domination of its power base, the mainly Christian or animist south, by the Moslem Arab north. Hundreds of thousands of people have been killed and three million southerners have fled north or abroad because of fighting and famine.

Although the government has accepted the accord to end the civil war it has yet to comply with such provisions as lifting a state of emergency and abrogating defense pacts with Egypt and Libya.

Mr. Mahdi was quoted Saturday as saying that Egypt had agreed to his request to abrogate its 1976 pact with Sudan.

The peace accord also called for a freeze on applying *sharia*, or Islamic laws and punishments, in advance of a formal cease-fire and a constitutional conference.

"It will not augur well to play down the provisions of the peace agreement," Mr. Akol said at the meeting. But, he added, "I am confident that we will get out with concrete results because our country yearns for peace."

The deputy prime minister said procedural issues should not be allowed to wreck the talks. He called for patience and mutual trust.

The Journalist Union
of the Athens Daily Newspapers

will present a debate on the theme:

"Greece — Beyond the elections: The road towards 1992."

Tuesday, June 13

Guest Speakers:

Mr. Ianno Papantoniou, Minister of Commerce, member of PASOK party, Candidate to the Parliamentary elections for the 1st electoral district of Athens.

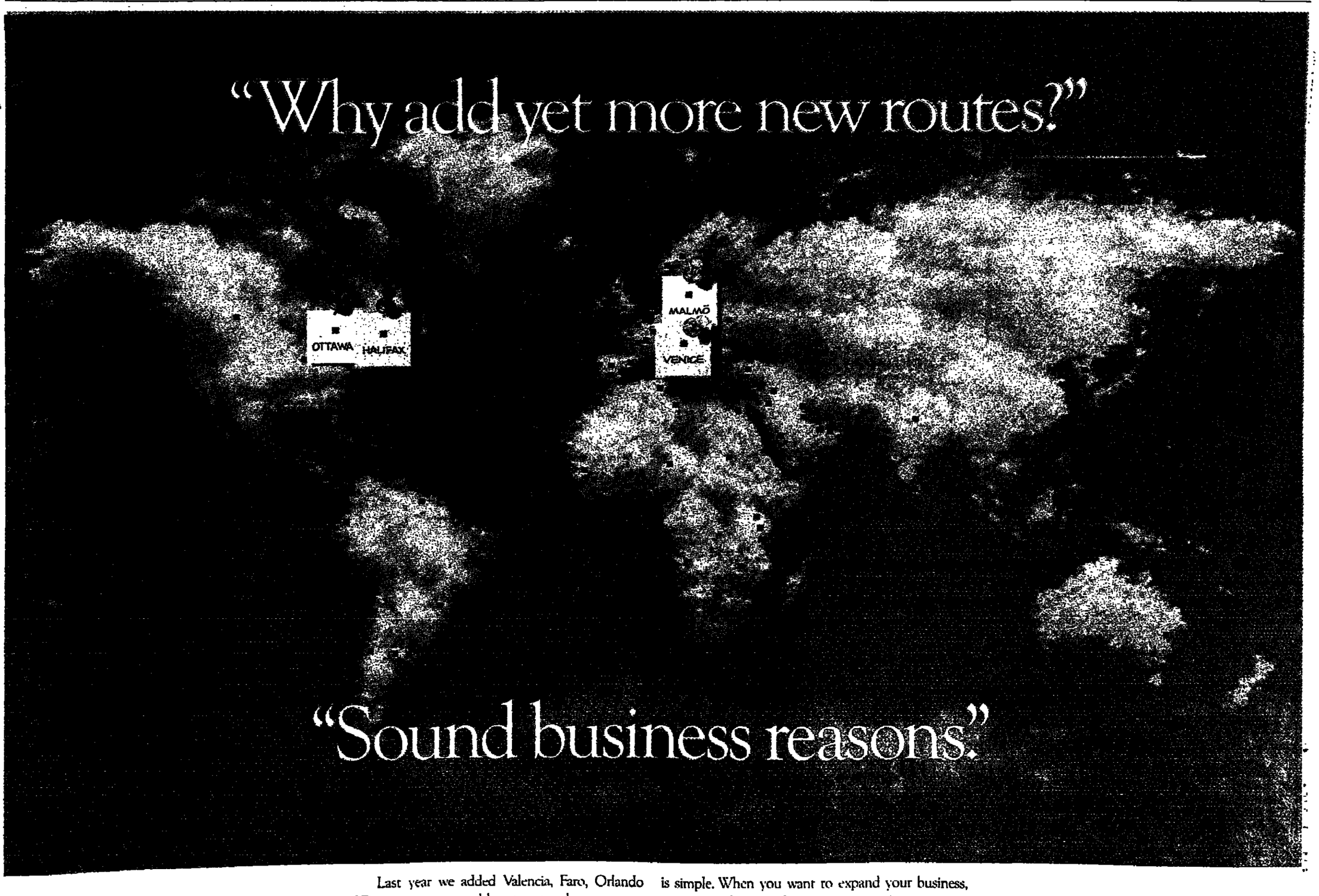
Mr. Sotiris Kouvelas former Mayor of Salonika, member of NEW DEMOCRACY party, Candidate to the parliamentary elections for the 1st electoral district of Salonika.

The debate will take place on Tuesday, June 13, at the Journalist Union of the Athens Daily Newspapers at 11:00, will be attended by members of the local and foreign media, and will be opened to the public. A discussion will follow the debate.

For further information, please contact:

International Herald Tribune representative office, 106-73 Athens Tel.: 360 24 21 or 361 83 97

Journalist Union of the Athens Daily Newspapers, 20 Academias Street, 106-71 Athens, Greece, 1st Floor, Tel.: 363 26 01-5.



Last year we added Valencia, Faro, Orlando and Denpasar to our world route network.

This year we're adding Ottawa, Halifax, Malmö and Venice, making a total of 142 world destinations.

Why keep extending our network? The reason is simple. When you want to expand your business, we want to be as ready as you are.

Test us, try us, fly us.

The Reliable Airline KLM Royal Dutch Airlines

CAREER OPPORTUNITIES

EXPORT SALES MANAGER

To identify and exploit new markets in the Middle East

Package up to £30,000 **UK base**

With established products dominant in their own market sectors throughout the world, our client company is now intent on further growth, from new products in new sectors. A large company itself (turnover £.100 m), it is part of a major group, yet this job will provide the scope for individual flair and entrepreneurial skills normally only available in small (and therefore risky) organisations. The key to success is a proven track record throughout the Middle East, through OEM's, and VAR's, but principally distributors, agents and wholesalers. A facility with local languages is highly desirable. Process control and instrumentation is the preferred specialism, but candidates with the experience and maturity to get results from their own initiatives are unlikely to find product familiarisation a major obstacle. Uniquely, this job combines the excitement of innovation with the backing of established success. Please send full career details, quoting reference WE9094, to Nick Ponsford, Ward Executive Limited, Academy House, 26-28 Sackville Street, London W1X 2QL. Tel: 01-439 4581.

WARD EXECUTIVE
LIMITED
Executive Search & Selection

INTERNATIONAL EXCHANGE PROGRAM.
WE PROVIDE VISAS!
TRAIN and LIVE in NEW YORK!!!

If you're seeking training and international experience in the field of mental retardation and developmental disabilities, APPLY NOW!
WHO ARE WE? YOUNG ADULT INSTITUTE is an award winning non-profit agency serving MR/DD persons.
WHERE? Training program and housing available in NYC Metropolitan area.
LENGTH OF PROGRAM? 18-month exchange program for French citizens with a university degree (preferred).
STIPEND? $14,000-$22,000, depending on experience.

(INTERVIEWS WILL BE CONDUCTED IN PARIS DURING THE 1st WEEK IN JULY)

Call Personnel IMMEDIATELY to arrange an interview
212-563-7474
or EXPRESS MAIL your resume to:
YOUNG ADULT INSTITUTE
INTERNATIONAL EXCHANGE VISITOR PROGRAM
c/o Personnel Dept. #270,
460 W. 34th Street, NYC 10001.

Y A I
Where YOU are as important as what you do!

PROMOTION EXECUTIVE

The International Herald Tribune
wishes to recruit a
Promotion Executive
to join the paper's Paris headquarters.

Reporting to the Publisher and the Associate Publisher, the Promotion Executive will help them shape the IHT's overall promotion strategy and programs – with particular emphasis on circulation development in a variety of countries and cultures. Working with a small promotion team, he/she will need to have well-developed creative abilities and must be able to write good promotion copy in English. Experience with an English-language publication or an advertising agency would be a definite advantage. Applicants should be of English mother-tongue but knowledge of French would be a plus. The candidate must be able to work well under pressure – and to get along smoothly with people of many cultures and disciplines.

Salary will depend on experience. Excellent opportunities for professional development with the world's fastest-growing international publication.

Please address your C.V. and references to:
Mrs. Bernadette Jeanroy
Personnel Director
INTERNATIONAL HERALD TRIBUNE
92521 Neuilly Cedex. France

THE INTER-AMERICAN DEVELOPMENT BANK, an international organisation which provides development financing for Latin America and the Caribbean, has an opening at its headquarters in Washington, DC, for a seasoned

ENGLISH TRANSLATOR

The title of the position is Senior Translator/Reviewer. As a member of a team of English translators, the successful candidate will work from Spanish, as well as from French or Portuguese, producing polished, final translations in natural, idiomatic English. Duties will also include revising the work of fellow staff members and free-lance translators, contributing to terminology files, and providing editing assistance and advice in the preparation of English documents.
To be considered, candidates must have (a) English as their mother tongue, (b) at least eight years' full-time experience translating into English from Spanish and from French or Portuguese, or at least six years' such experience and a bachelor's degree in a relevant discipline such as languages, journalism, or economics, and (c) experience revising translations done by others.
The Bank offers an excellent compensation and benefits package, with starting salary based on qualifications and experience.
Those candidates considered most closely to meet the Bank's needs will be invited to take a written examination.

To apply, candidates should write to the following address by 30 June, 1989, and enclose a detailed curriculum vitae, including salary history: Employment Section (MCP-T), Inter-American Development Bank, Washington, DC, 20577, USA.
The Bank regrets that it cannot acknowledge applications from persons who do not meet the stated requirements for the position.

MANAGING DIRECTOR INDIA

Leading multinational hi-tech company seeks Managing Director for its Indian subsidiary.

The ideal candidate will have lived and/or done business in India, gained a background in a high-tech industry (electronics, telecommunications, computers/computer-driven equipment, instrumentation, etc.) and have several years senior management experience. Age: 38-55 years.

Very attractive salary and expatriate benefit package offered with contract renewal or subsequent international career opportunities available.

Please reply to Dept. DT

ARROW
COMMUNICATIONS S.A.
447 Avenue de Tervueren
B-1150 Brussels
Belgium.

ARROW COMMUNICATIONS SA

FRENCH GENERAL MANAGER CAN BE YOUR AMBASSADOR IN EUROPE

I have successful and prestigious start-up experience in the European computer market. 39 years, accustomed to working with and reporting to American firms, I have created computer companies in France, Italy and Spain, and have started activities in Holland, Greece, Africa and the Middle East.
I'm a winner, ambitious and ready to take on a new challenge.

If this challenge is also yours,
you may contact me on 33 1/30 43 80 83,
or write to: Box D265, 181 Ave. Charles de Gaulle,
92621 Neuilly Cedex (France).

INTERNATIONAL COMPANY
(Fast Moving Consumer Goods)
Seeks to Employ

AREA MANAGER EASTERN EUROPE

— To be based in Brussels,
— With previous market experience,
— Creative and self motivating,
— Willing to travel extensively,
— English, German, French.

We offer an attractive salary with an appropriate benefit package.

Please apply to :
Box D-271, I.H.T., 181, av. Charles-de-Gaulle,
92521 Neuilly Cedex

Final Days Of Khomeini Recounted By Daughter

By Patrick Tyler
Washington Post Service

TEHRAN — The daughter of Ayatollah Ruhollah Khomeini said in an interview on Sunday that her father had suffered five heart attacks in the 10 days after his surgery on May 23 for what she described as stomach cancer. He died on June 3.

The clinic in the suburb of Jamaran that was the site of the surgery was taken over by the ayatollah's medical team nine years ago. This was deemed necessary after his first serious heart attack and after concerns were raised that he might be the target of assassination attempts.

The daughter, Zahra Mustafavi, spoke in her downtown Tehran office as a huge crowd gathered at the Behesht Zahra cemetery south of the city to mark the seventh day since the ayatollah's death.

In the interview, she provided a detailed account of her father's medical problems in recent years.

Mrs. Mustafavi, 48, also revealed that her brother Syed Ahmad, 44, has aspired to become president of Iran since 1981, but that the idea was specifically rejected by the ayatollah, whom she quoted as saying, "As long as I am alive, I do not wish for him to have a position."

She said her desire to become a parliament deputy had to be deferred by her father's policy of keeping his children out of political posts while he was alive.

Since her father's death, Mrs. Mustafavi said, her brother has sunk into a dejected mental state. She said she had tried to jar him from it on Saturday with a pep talk after she heard that he wanted to withdraw from active participation in national affairs.

She quoted her brother as saying during her visit with him, "I am too tired," and adding, "I am finished." But he also said that he had not given up on the Islamic Revolution.

She also said that a few days before her father's surgery, the ayatollah told her privately that President Ali Khamenei had "all the qualifications" to become the country's supreme leader.

Mrs. Mustafavi's comments added weight to other assertions that the ayatollah explicitly expressed his preference for his longtime follower more than once in his final weeks. In March, the ayatollah dismissed the country's political heir apparent, Hussein Ali Montazeri.

Mrs. Mustafavi hinted that Iran might seek to improve its relations with the United States, frozen during the last decade by deep and bitter grievances on both sides. She said the ayatollah "always said the relationship between America and Iran is like a relationship between a wolf and a sheep."

But, she added, "officials change."

The ayatollah's frail health had been the subject of frequent speculation in the West; more than once in the last 10 years Western governments and intelligence services have leaked word that he was near death.

Mrs. Mustafavi said her father had been hospitalized at the Jamaran clinic three times in the last three years. The most serious episode, she said, was a heart attack in the spring of 1986. The attack was so severe, she added, that "in fact, he almost died."

He "really gained a second life" through the efforts of his Iranian doctor, she said.

In the weeks preceding the ayatollah's death, there was intense speculation in Tehran that his son might make a bid to succeed his father as spiritual leader. This rumor sharpened in May, when a letter of rebuke from the younger Khomeini to Ayatollah Montazeri, the spurned heir, was given to the Tehran press.

"In our group," Mrs. Mustafavi said, "the question of Ahmad's succeeding the father never appeared."

She also said that eight years ago, the ayatollah rejected the suggestion that his son become president.

About a week before the ayatollah's surgery, she said, "I went to him about the possibility of Ahmad's becoming president."

She said she had told her father that "the word is out."

She said she endorsed the idea of making her brother president by saying, "I think he is qualified."

But she said her father again rejected the notion, saying only, "After me, you can decide for yourselves."

The presidential candidacy of the younger Khomeini would put him in direct competition with Iran's speaker of the Majlis, or parliament, Hashemi Rafsanjani, the only announced candidate for the Aug. 18 balloting.

Mrs. Mustafavi said that, a "few days" before her father's last sickness she went to him to discuss the succession. "I know you are opposed to any group leadership," she said to her father, adding, "Do you know of any single person?"

"Yes, there are people," she quoted her father as answering.

When she mentioned Mr. Khamenei's name, her father replied, "Yes, he is very good — he has all the qualifications."

Jim Hollander/Reuters
Shimon Peres of Israel, left, welcoming Mr. Butros Ghali of Egypt on Sunday for talks.

Israel Lifts Weeklong Gaza Curfew

Reuters

JERUSALEM — Israel announced Sunday that it had lifted the longest curfew imposed on the occupied Gaza Strip since the start of the Palestinian uprising 18 months ago. It also reported that two Gaza teen-agers had died of gunshot wounds.

About 600,000 Arabs were freed from a week of nearly total confinement to their homes, but 55,000 in the Jabalya refugee district remained under curfew.

Soldiers shot and killed an 8-year-old boy in Jabalya on Saturday, and two teen-agers who were seriously wounded in the clash died in an Israeli hospital on Sunday, the army said.

Palestinians identified the youths as Musa Omar Shama, 17, and Mohamed Lubbad, 16. At least 515 Arabs and 20 Jews have died in the uprising against Israeli occupation of the West Bank and Gaza Strip.

The Gaza curfew was lifted shortly before Butros Butros Ghali, the Egyptian minister of state for foreign affairs, arrived in Israel with a message from President Hosni Mubarak to Prime Minister Yitzhak Shamir.

The Israeli foreign minister, Moshe Arens, was at the airport to welcome Mr. Butros Ghali, the highest-ranking Egyptian to visit Israel in two years.

Mr. Arens said Israel hoped to enlist Egyptian support for an Israeli peace initiative, which calls for elections in the occupied West Bank and Gaza Strip.

Foreign Ministry officials in Cairo said the main purpose of the trip was to reassure Israel that Egypt's return to the Arab League would not upset its relations with Israel.

(Reuters, UPI)

French Selling Missiles to the Saudis

Agence France-Presse

PARIS — France said Sunday that it had signed deals with Saudi Arabia for the sale of Mistral surface-to-air missiles and for the construction of military hardware including helicopter-carrying frigates.

A spokesman for President François Mitterrand said the contracts had been signed by the French and Saudi defense ministers, Jean-Pierre Chevènement, and Prince Sultan ibn Abdulaziz, who was in France on an official visit.

An earlier report from Riyadh said payment would be partly in cash and partly in such items as petroleum products and agricultural produce.

According to Al Hayat, a Lebanese daily, Saudi Arabia has contracted to buy 3,000 Mistral missiles and two helicopter-carrying frigates worth a total of 18 billion francs ($2.7 billion).

A Saudi daily, Al Riyadh, quoted the defense minister as saying the Mistral deal had "been under discussion for three years, during which specialist Saudi officers worked with their French colleagues on the development of the weapon and acquired close knowledge of its use, operational capacities, maintenance and improvements."

DIPLOMAT: *A Mitterrand's Causes Roil the Waters*

(Continued from page 1)

arouse public opinion, and perhaps eventually affect policy in France and other countries.

The trip to Turkey, for example, was arranged by Kurds who are friends of Mrs. Mitterrand's and who hoped the sight of the refugee camps would prompt her to speak out on an issue that has dropped off the front pages in France and elsewhere. She said she willingly accepted the mission even though the world has grown inured to stories of Kurdish suffering.

"I have no power," she added. "I have only my power of indignation, my power of conviction. These are my only powers. Sometimes they are convincing. Sometimes there are other reasons, economics for example, that predominate."

The president has been "very respectful" of her right to speak out even on sensitive issues, Mrs. Mitterrand said. In any case, she added, most of the time there is no conflict between her human rights appeals and her husband's official work in the Elysée Palace.

"François is a man who defends human rights," she said. "I know there are realities that are difficult, but they are rare."

Immediately upon her arrival at the Elysée after her husband's election in 1981, Mrs. Mitterrand demonstrated reluctance to limit herself to the role of hostess, decorator and goodwill ambassador that France traditionally assigns its first ladies.

She came to political activism early in life. The daughter of a liberal school principal, she was a teen-age courier for the Resistance during the war and received a medal for her work when she was 20.

French analysts have written that her influence was important in the president's drift leftward earlier in his career.

PAKISTAN: *Seeking the Bomb?*

(Continued from page 1)

tion was processed to remove any hints of where it had come from.

Even so, U.S. officials said this was a highly unusual step.

Seldom, if ever, has the head of the Central Intelligence Agency disclosed the fruits of American intelligence collection with the "target" of those efforts.

Intelligence professionals were said to be worried that any extensive sharing of the data with the Pakistanis could cause them to tighten security and make it more difficult to gather data.

But the officials said Mr. Bush decided it was more important to show Miss Bhutto that the United States can monitor Pakistan's nuclear activities in some detail.

Administration officials said Mr. Bush proposed on-site visits to the Pakistani installations by American inspectors to verify that the research was being used for peaceful purposes. This would reduce the need to rely on intelligence assets or technical means.

After the longstanding Pakistani position on this issue, Miss Bhutto declined, officials said.

Pakistan has previously said it would allow on-site inspection if India agreed to similar measures.

Paris Mosque Elects Rector

United Press International

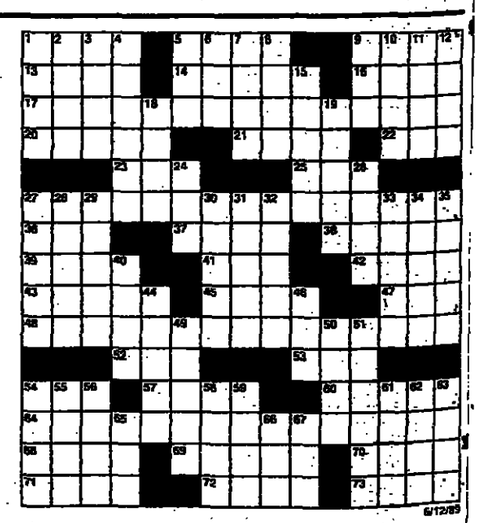
PARIS — Sheikh Haddam Tedjini, an Algerian doctor and diplomat, has been elected rector of the Paris Mosque, diplomats said. Sheikh Tedjini, 68, will replace Sheikh Abbas, who died in May after suffering a heart attack.

ACROSS

1 Repast
5 Declaration signer
9 Hullabaloo
13 Peruvian Indian
14 Mil. truants
16 Mrs. Charles Chaplin
17 Impressive D C site
20 Playwright Clifford
21 Astronaut Alan
22 Mich.'s Sault —— Marie Canals
23 —— de France
25 In medias ——
27 Old Ironsides
36 Nash contemporary
37 Happy
38 Chaplain, to a G I
39 O'Neill's "—— Christie"
41 Irk
42 Call's cry
43 Dens
45 Composer —— Carlo Menotti
47 Suffix with exist
48 Impressive N.Y harbor sight
52 N.Y.C.'s ocean
53 Nectar collector
54 Ancient
57 Actress Hayworth
60 Inventor Howe
64 N.Y. harbor span
68 Satanic
69 Golfer Palmer, to fans
70 Neither masc nor fem.
71 Tears
72 Snitched
73 Proceeds

DOWN

1 Venus de ——
2 Wife of Sir Geraint
3 Skin disorder
4 Pertaining to milk
5 Chum
6 Barley beard
7 Hairdresser's purchase
8 Sheltered, at sea
9 In favor of
10 Superman's girlfriend
11 Med.-school subject
12 Ashen
15 Sting
18 Norway's capital
19 A stroke ahead, in golf
24 Part of U K
26 Pierce
27 Soviet range
28 French legislature
29 —— Braga, Brazilian film star
30 Irish port
31 List of charges, in Cannes
32 Perfect
33 Loafer
34 Praying figure
35 Like tulle
40 Greek gulf
44 Hindu collection of aphorisms
46 Penpoint
49 Miss Doolittle of "My Fair Lady"
50 Malt brew
51 Sniggler's activity
54 Above
55 A son of Jacob and Leah
56 Style of coffee
58 Small pastry
59 —— Domini
61 Concept: Comb form
62 Tropical fever
63 Tennis-match divisions
65 Monogram of "Treasure Island" author
66 Lubricate
67 Four-poster, e g



6/12/89

© New York Times, edited by Eugene Maleska.

Solution to Friday's Puzzle

	C	A	P	O	N			S	A	L	A	D
S	A	M	O	V	A	R		C	A	L	A	B	A	R
P	R	A	L	I	N	E		A	L	A	B	A	M	A
O	P	T	E	D		C	U	R		S	O	L	O	N
R	O	O	D		P	A	R	E	D		R	O	S	E
E	R	R		B	A	N	N	E	R	S		N	E	E
	T	Y	R	A	N	T		R	A	Q	U	E	L	
		O	R	A				P	U	N				
	Q	U	E	N	C	H		T	E	A	S	E	L	
C	U	P		S	H	E	P	A	R	D		L	I	D
R	A	S	P		E	A	R	L	Y		M	E	M	O
A	R	C	E	D		R	Y	E		C	A	V	I	L
S	T	A	L	E	S	T		N	A	R	R	A	T	E
H	E	L	L	E	R	S		T	R	E	A	T	E	D
	R	E	A	P	S			F	E	T	E	D		

ARROW COMMUNICATIONS SA

In Fang, a Clash of Symbols for China and U.S.

New York Times Service

BEIJING — The U.S.-Chinese dispute over Fang Lizhi underscores not only the passions that China's best-known dissident arouses on both sides of the Pacific but also the difficulties that Washington and Beijing will have in resolving the latest irritant to their relations.

Television news on Friday night identified Mr. Fang, an astrophysicist, as the villain in the recent bloodshed, yet most people had not even conceived of him as a possible culprit.

The target of the broadcast had perhaps been overlooked because he does not own a gun and for weeks had carefully avoided the student encampment on Tiananmen Square, where troops recently killed hundreds, possibly thousands, of civilians.

Nevertheless, the news presentation accused Mr. Fang, 53 — now under protection at the U.S. Embassy — of being a traitor who incited "the rebellion" and provoked the violence. On Sunday, the government issued a warrant for his arrest.

Fang Lizhi (pronounced fahng lee-JER), his wife, Li Shuxian, and their son, Fang Ke, took refuge in the embassy because they feared arrest after the shooting of pro-democracy demonstrators in the center of the city on June 4 and 5.

China has long been sensitive to Fang Lizhi's popularity abroad as well as to the interference of foreign diplomats in China's political affairs, so it would be difficult to imagine the government's pledging not to harm Mr. Fang were he to leave the embassy.

"It's a very difficult situation," an Asian diplomat said, before the government issued the warrant for Mr. Fang's arrest. "I think there's no way out through negotiation."

The American protection of Mr. Fang and his family is likely to symbolize to the government the arrogance of Washington's using diplomatic privileges to harbor people Beijing views as criminals, a particularly serious matter in China because of its historic sensitivity to foreigners regarding themselves as above Chinese law.

To Americans, on the other hand, the threats against a scholar and advocate of nonviolent democratic change are likely to symbolize Chinese repression and unreasonableness. The gulf between the two perspectives will be difficult to bridge so long as the present Chinese government remains in place.

Mr. Fang was catapulted to the center of an international dispute by his search for a safe place for himself and his family. An ebullient man, he faces oppression, fear and risk with a deep and rumbling laugh that invariably invites those around him to smile even at the oddest moments.

"So maybe I will be arrested," he sometimes says, when pressed on the chances he takes. Then he lifts his head and laughs, and everybody in the room suddenly feels that maybe things might not be so serious after all.

Mr. Fang first came to national prominence several years ago, when he was vice president of the University of Science and Technology in the central Chinese city of Hefei. He became a promoter of greater democracy; his ideas were widely discussed, but after the fall of Hu Yaobang, the Communist Party leader, in January 1987, Mr. Fang was expelled from the party and transferred to work as a professor in the Beijing Observatory.

Li Shuxian, whom he met and married when they were studying in Beijing, remains a party member, but both have been highly critical of Communist rule in China. They object to the network of perquisites for officials, the corruption, the lack of free speech. They openly say that Marxism is wrong.

Mr. Fang acknowledges that a multiparty democracy cannot be introduced in China soon, but he thinks the nation should move in that direction. He has been popular among students and among foreigners, partly because until recently he was almost the only person openly attacking Marxism and calling for greater democracy. Mr. Fang also speaks English, which has enabled him to give TV interviews to U.S. audiences.

He was at the center of another diplomatic dispute when George Bush invited him to a banquet during the president's visit to China in February. Chinese leaders objected to the invitation, and then sent more than 100 police officers to keep Mr. Fang away from the banquet. Mr. Fang, his wife and two Americans they were with were obliged to walk for an hour and a half to the U.S. Embassy — followed by the police all the way.

The episode apparently confirmed the Chinese officials in their belief that Mr. Fang is a troublemaker, and he and Li Shuxian were accused — sometimes in anonymous wall posters — of inciting the democracy movement.

In fact, Mr. Fang and his wife both tried to avoid playing any role, for fear of being accused of being provocateurs, and they studiously kept away from Tiananmen Square when students were there.

— NICHOLAS D. KRISTOF

Fang Lizhi

AP

GERMAN: *Honecker Hails Bush Plan for Arms Cuts*

(Continued from page 1)

defeats. "Nobody could have an interest in having a state again in the heart of Europe that would be difficult to keep under control."

Mr. Honecker gave the interview at a time of intense superpower diplomatic activity centering on Bonn. On Monday, Chancellor Helmut Kohl will welcome the Soviet leader, Mikhail S. Gorbachev, on a four-day visit.

Mr. Bush visited the West German capital at the beginning of the month after arranging a compromise with Mr. Kohl at the North Atlantic Treaty Organization meeting in Brussels that defused a bitter quarrel between Washington and Bonn over alliance strategy on short-range nuclear missiles.

East Germany's status as the Soviet Union's closest and strongest military ally in the Warsaw Pact gives Mr. Honecker's views on arms control particular authority. His positive response to the proposals made at the NATO summit meeting went well beyond the cautious public welcome voiced by the Soviet foreign minister, Eduard A. Shevardnadze.

Mr. Honecker denounced the dangers posed for Germans by short-range nuclear weapons stationed on German soil in terms similar to those often used in West Germany. In calling for elimination of such weapons, he cited comments made by Mr. Kohl, Alfred Dregger and other members of the conservative Christian Democratic Union party, asserting that "the shorter the range, the deader the Germans."

He indicated that the Warsaw Pact would accept NATO's insistence that negotiations on short-range missiles start with the goal of achieving partial reductions in existing forces, in which the Soviet Union has an advantage estimated by NATO at 14 to 1 in missile launchers.

Britain and the United States oppose total elimination of tactical nuclear weapons in Europe because of the Soviet Union's superiority in conventional forces.

"We are in favor of the step-by-step elimination of tactical nuclear weapons in Europe," Mr. Honecker said. "Of course, we know that this can't be done in one stroke."

He then held out the possibility that each side might decide to "keep, say, 10" short-range missiles rather than proceed to the complete elimination favored by the Warsaw Pact.

"One has to enter negotiations and see what progress can be achieved," Mr. Honecker said. "Sometimes surprises even occur."

Asked about Mr. Bush's proposals at Brussels to "lock in" significant reductions in tanks, artillery, armored personnel carriers and other weapons and to include combat aircraft and manpower totals in the Vienna 23-nation negotiations on Conventional Forces in Europe, Mr. Honecker responded:

"We are interested in having those proposals included in the negotiations, so that we can identify where the Warsaw Treaty states [already] concur [with NATO], and those areas where more intensive negotiations are needed."

Mr. Honecker declined to say if he thought Mr. Bush's goal of reaching an agreement on conventional arms reductions within six months to a year was realistic. But he said that "a matter that entirely meets our interest is an acceleration of the Vienna negotiations."

The summit meeting in Brussels accepted in principle Mr. Bush's conventional arms initiative but decided to study it further with a view to presenting a comprehensive proposal at the Vienna negotiations in September.

Mr. Honecker's conciliatory attitude toward the United States was also underscored by his assertions that the Warsaw Pact's arms control proposals and calls for a new political framework for Europe are not intended "to decouple the United States from Europe."

"The building of the Common European house is not directed against ... the United States," he said. "We have an interest, of course, in the participation of the United States in creating that house."

Mr. Honecker's comments on the Berlin Wall, built in 1961, would appear to make formal a significant softening of policy that had been described privately to visiting West German politicians but not put forward publicly.

BEIJING: *With Protest in Shreds, Panic Takes Over*

(Continued from page 1)

a few days — mostly because of fear of stray bullets — but there was never an organized strike. Now workers are returning to their factories.

Last week, many Chinese also hoped that some military units were ready to attack the 27th Army, which was responsible for most of the bloodshed, and depose the elements in the leadership that had begun the crackdown. There were some murky military skirmishes, but it seems increasingly unlikely that the army will intervene in support of democracy.

Of course, the democracy movement has several times risen after what seemed to be fatal blows, and the situation in China is so unstable that virtually anything could happen. But for now, at least, intimidation seems to be successful. That is why there is no general strike, no new poster campaign, no protest. The state has shown its strength, and people are acquiescing to those in power.

The tangible achievements of the last two months — a freer press, a network of student organizations, an unofficial student newspaper, an unofficial labor union, an immense number of ad hoc bulletin boards where people posted essays and articles from foreign newspapers — all have vanished. In a larger sense, the exhilaration and boldness of the last two months have been replaced by pain and panic.

The university campuses are empty, the loudspeakers quiet and the student organizations disbanded. Since all the students have gone home, it would be difficult to revive the student movement even if the atmosphere were more tolerant.

Still, beneath the surface and beyond the superficial expressions of assent there bubbles a profound rage and bitterness at the nation's aging leadership. In some past crackdowns, such as the 1957 anti-rightist campaign, there was a reservoir of goodwill toward the government, and so people wondered if maybe the leadership was right even when it did things that seemed on their face to be bad.

But the goodwill has long since dissipated, and it is virtually impossible to find somebody who in private has anything nice to say about the government.

Even if the democracy movement has lost this battle, this rage is likely to resurface. Predicting events in China is an impossible task, but both Chinese and foreign experts note that there has been a regular pattern of a period of growing tolerance followed by a crackdown and then a steady increase in tolerance and democracy, followed by a new crackdown. Each time the flowering of ideas and enthusiasm for democracy has been greater than the previous one, and so most people expect that after a few months or years, the movement will re-emerge as vigorous as ever.

"Democracy is now engraved in people's hearts, so you can't say the movement is washed up," said a young worker who sympathized with the recent demonstrations but was not much involved himself. "Even ordinary people who don't really understand what the students want, they feel in their hearts a hatred for the government that makes them support the students."

While most people believe the democracy movement, as a mass campaign, has definitely lost the first round, many say that the present leadership is very unstable.

The leadership still has not summoned a Central Committee meeting to ratify the dismissal of the Communist Party chairman, Zhao Ziyang, and most people believe that he has a number of silent supporters on the Central Committee.

CHINA: *Dissidents Sought*

(Continued from page 1)

assistant professor at the elite Beijing University, entered the U.S. Embassy shortly after the government moved troops against students who had occupied Tiananmen Square.

Their presence has added to the strain that U.S.-Chinese relations are experiencing because of U.S. sanctions and condemnation of the suppression.

Now the two have been charged with "committing crimes of counterrevolutionary propaganda and instigation before and during the recent turmoil and before the counterrevolutionary rebellion," the official Xinhua press agency reported. Counterrevolution is a general term used to describe political activities that are deemed unacceptable by the authorities.

The Chinese press and several Chinese callers to the embassy have demanded that the United States turn them over. The embassy has refused, and the couple has not been heard from since. The U.S. Embassy declined comment Sunday night on the arrest order.

The couple's action has also been criticized by some of their fellow intellectuals. They feel that the move was melodramatic and could be used to support government contentions that the country's democracy movement is foreign-inspired.

The man charged with spreading rumors to ABC News had spoken on camera in a Beijing street last Monday, saying in an emotionally strained voice that tanks had rolled over some of the demonstrators. On Sunday, Chinese state television played this interview clip and then cut to the man in custody.

In remorseful tones, he said that he had never seen any such thing.

Official broadcasts also said that on Friday, 13 "ruffians" were arrested in Beijing in connection with the disturbances.

Soviet Spokesman Bets and Wins On West German TV Game Show

Reuters

BONN — Gennadi I. Gerasimov, who has been in the spotlight as the Foreign Ministry spokesman at Moscow news conferences and at summit meetings, has found a new forum for the Kremlin's *glasnost* message — a West German television game show.

Taking a break from preparing for Mikhail S. Gorbachev's visit to West Germany, which will start on Monday, Mr. Gerasimov appeared Saturday with, among others, a transvestite singer and a U.S. television star, Don Johnson of "Miami Vice," to plug Soviet-West German friendship.

"We should swap jokes, not missiles," the Foreign Ministry spokesman said through an interpreter to the audience.

He was challenged to bet whether two studio musclemen could support a bridge for a 50-man pipe and drum corps.

Mr. Gerasimov bet they could and won. The body builders successfully held up two planks while kilted musicians, who played "Scotland the Brave" and a reel, strode over them.

"We don't have programs like this," Mr. Gerasimov said to the moderator, Thomas Gottschalk, during the broadcast.

VISIT: *Bonn, Awaiting Gorbachev, Sees Better Ties*

(Continued from page 1)

longstanding opposition to West Germany's desire for reunification with East Germany, a subject that Chancellor Helmut Kohl has pledged to raise in discussions with the Soviet leader.

"We don't expect that there will be a 'German card' up his sleeve," said a Bonn official who helped plan the visit.

The attraction of Moscow's more conciliatory foreign policy under Mr. Gorbachev has been the most important factor in leading Chancellor Kohl's center-right government to adopt its role as the North Atlantic Treaty Organization's most influential advocate of better relations with the Warsaw Pact.

President Richard von Weizsäcker, whose post, though largely ceremonial, makes him President Gorbachev's host, said in an interview printed on Sunday that it was in NATO's interest to help Mr. Gorbachev carry out his policies for change.

Mr. Gorbachev "has proved that he follows his words with deeds," the West German president said.

Bonn's increasingly assertive support for arms control led to a major split within NATO over short-range nuclear arms policy earlier this year.

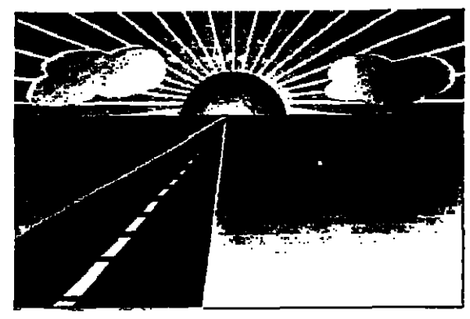
Against strong opposition from the United States and Britain, the West Germans pressed for early East-West negotiations on reducing nuclear missiles with ranges of less than 500 kilometers (about 300 miles) and against a NATO commitment now to modernize such weapons.

The disagreement was resolved in a last-minute compromise at the NATO meeting of national leaders in Brussels last month, but it revealed important underlying differences within the alliance over how to respond to Mr. Gorbachev's policies.

Bonn has been especially frustrated by the campaign of Prime Minister Margaret Thatcher of Britain against early talks on short-range nuclear missiles.

FINANCIAL INDEPENDENCE

THE KOHLER WATER GROUP HAS COMPLETED THE #1 ROAD TO SUCCESS!



A STRAIGHT ROAD TO THE WORLDS EASIEST PASSIVE INCOME

THE MOST NOBLE BUSINESS ON EARTH, BE IN BUSINESS FOR YOURSELF NOT BY YOURSELF.

International Exclusives

Does Your Drinking Water Cost More Than Gasoline"

- Water is the #1 industry of the 90's! Forbes Magazine.
- You can manufacture the Highest Quality Bottled Water on Earth!
- New Patented - Earth Grounded Devices - Lowers Surface tension of Water and Body Fluids - (We see it as addictive).
- Copywritten bottled water labeling brings equipment sales!
- #1 Rated Industrial - Agricultural - Residential Products.
- Plants Can Grow 100% + faster.
- Low Cost point of use filtration best on earth - ABS Plastics/Heat Welded - Bone Carbon/K.D.F.

(416) 469-7035 / 24 hours
(Country Exclusives)

International Herald Tribune
Published With The New York Times and The Washington Post

日本印刷実施

Now Printed in Tokyo For Same-Day Delivery to Most Homes & Offices in Japan

To subscribe call our Tokyo office

(03) 201 0205

Or write: TJM, 2F. Mainichi Newspaper, 1-1-1 Hitotsubashi, Chiyoda-ku, Tokyo 100
Or Telex: 33673. Or Fax: (03) 214 4045.

A Strong Bond...

Giving a Caran d'Ache pen to your business associates shows your "savoir faire" – and much more. Its usefulness brings genuine enjoyment – a gift the receiver will appreciate. Discretely enhanced with your company name or logo, engraved or with a medallion, it will soon become indispensable – a lasting link of quality with your business associates.

Ask for catalogue and offer:
CARAN D'ACHE – DIVISION CADEAUX D'AFFAIRES – 19, chemin du Foron, C.P. 169
1226 THÔNEX-GENÈVE – Tél. 022/480204 Tlx 418570 CDA – Fax 022/498412

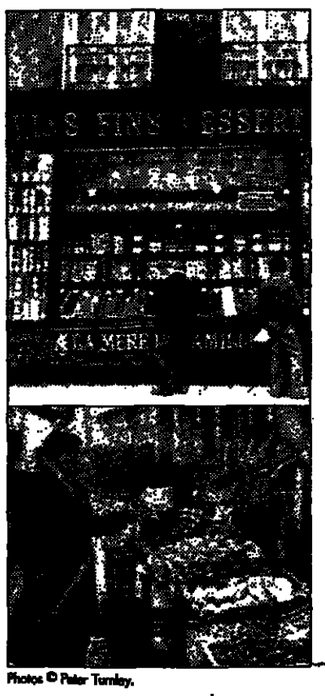
LONGINES

The celebrated Longines Hour Angle navigational watch, made by Longines to a design by Charles A. Lindbergh, who completed the first non-stop transatlantic flight in May, 1927.

LONGINES

SECOND EDITION — COMPLETELY REVISED & UPDATED!

Patricia Wells, the International Herald Tribune's award-winning restaurant critic, revisited each of the more than 300 restaurants, bistros, pâtisseries, salons de thé and cafés, for this second edition of her popular guide. In her search, she discovered 100 exciting new places that have made it into this entertaining and useful book.
The critics raved about the first edition: "To walk the streets of Paris — without deadline or curfew — stalking everything wonderful to eat... It's the dream of every one of us in love with food. And Patricia Wells has done it... No serious hedonist should go to Paris without it."
— Gael Greene, New York Magazine.
"...it is impossible to read it and not want to be in Paris. Now."
— Lois Dwan, The Los Angeles Times.
"...one of the best guides in English. And, *mon Dieu*, it was done by an American. There will be consternation in high places."
— Frank Prial, The New York Times.



Photos © Peter Tarnley.

"The Food Lover's Guide to Paris," in a completely revised and updated second edition, includes Patricia Wells' lively critical commentary, anecdotes, history and local lore. A great gift idea. Paperback, 384 pages, with photographs throughout. US$14.95 plus postage: $3 in Europe and $6 outside Europe. Published by Workman (New York) and available by mail from the International Herald Tribune.

Herald International Tribune.
Book Division, 181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France.
Please send me: _____ copies of FOOD LOVER'S GUIDE TO PARIS at US$14.95 each, plus postage: add $3 each in Europe; $6 each outside Europe.
Payment is by credit card only. All major cards are accepted.
(Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be accepted.)
Please charge my credit card: ☐ Access ☐ Amex ☐ MasterCard ☐ Eurocard ☐ Diners ☐ VISA
CARD N° _____ SIGNATURE _____ (necessary for credit card purchases)
EXPIRY DATE _____
NAME _____
(in block letters)
ADDRESS _____
CITY/COUNTRY/CODE _____ 12-6-89

Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

OPINION

Communism Trembles

In China, what began as new hope for democracy now seems to be trailing off into old repression. A Poland that imposed martial law in 1981 has just completed a free election that legitimized opposition. The new Soviet Congress does not recognize the idea of loyal opposition, but daily listens to critical voices. Other tremors shake communism, from Hungary to Vietnam.

It is tempting to forge all this into a theory of history. Perhaps there is a continuum in the development of Communist states: China is taking the first faltering steps toward democracy and a free-market economy; the Soviet Union is experimenting with the next stage; Poland has advanced to a pre-takeoff position. But it is difficult to see such straight lines, let alone inexorability in an honest look at the facts. Each country seems caught more in its own culture and history. And to keep up with the tumult, U.S. policy will have to be true to its values, and nimble.

Deng Xiaoping and his cohorts loosened state and party controls to promote economic growth, and with some good results. A month ago, students took Tiananmen Square to demand political rights, more or less independent of the economic situation. They had their supporters, apparently, in the ruling party elites, and for a time, power teetered between reformers and hard-liners.

Last week, the hard-liners gained control. For troops to shoot into unarmed crowds horrified the world, but it cleared the streets and clarified the scene. Maybe the spirit of the protesters will lead to more confrontations or peaceful change. Maybe the crackdown will deepen and endure, a result more in keeping with Chinese history.

Soviet economic stagnation prompted Mikhail Gorbachev to grant increasing doses of glasnost. His theory apparently has been that there can be no perestroika or economic reform without political openness. That openness continued to flower last week as the Gorbachev government announced it would cut military spending by a third in the coming years, and as the head of the KGB called for parliamentary oversight of his dread organization.

But Mr. Gorbachev may not succeed in bringing about a peaceful transition any more than Mr. Deng. It was Mr. Deng who courageously led China away from the tyranny of the Cultural Revolution. And it is Mr. Deng who is being held responsible for last week's brutal crackdown. At some point, Mr. Gorbachev might also come under pressure to use force. He must right now contend with nationalistic eruptions from Uzbekistan to Estonia.

What should U.S. foreign policy be in such circumstances? Mr. Bush's formula for handling the Chinese situation is not a bad one: Make absolutely clear where Americans stand on democratic values and use of repressive force, make clear there can be no business as usual — and still try to negotiate on problems of mutual interest.

Poland represents an easier policy problem. Last week, Polish voters rejected the candidacies of the prime minister and 32 other Communist Party leaders to the new Polish Parliament. General Jaruzelski, the Polish leader, not only accepts this but is quoted as saying that the party would relinquish power if it lost the next election, in 1993. Peaceful transfer is a possibility in a country like Poland which has widespread support for democracy. It would be a beautiful sight, something the United States and the West could start encouraging now, with economic incentives.

The earthquakes in the Communist world will go on. With millions of Chinese listening daily to the Voice of America and the BBC, with Russians watching Poles and Europeans, and with all governed by communism increasingly able to compare their misery with the richer and freer life elsewhere, there will be two profound tests: of decency in the East, and of wisdom in the West.

— THE NEW YORK TIMES.

No Roar for Hong Kong?

Is there no roar left in the old British lion? After the bloodletting in China, Prime Minister Margaret Thatcher's equivocation over Hong Kong seems spineless, even shameful. Adding insult, Foreign Secretary Geoffrey Howe now declares that Britain "could not easily contemplate" admitting 3.5 million Chinese holders of British passports because that might double the ethnic minority population.

No other democracy has ever forced its passport holders to live under Communist rule. Sir Geoffrey's justification for this surrender of people and principle is downright appalling.

Though she professes "utter revulsion" over China's killing of civilians, Mrs. Thatcher says Britain nevertheless will abide by an agreement made five years ago and hand over Hong Kong to China in 1997. It is hard to see why China deserves such an assurance. True, Britain did agree to turn over the colony, but only under conditions that would ensure a "high degree of autonomy" to protect Hong Kong's freedoms.

How, today, can anyone feel secure that those freedoms would be respected by a Chinese regime that has recently shown itself to be insecure, disorganized, secretive and repressive? The Hong Kong pact cuts two ways. If Beijing's good faith is in question, then Britain plainly has the duty to review and, if need be, void the agreement.

The best outcome would be the emergence in Beijing of a new leadership committed to ending repression and instituting political reforms. Should that happen, there would be no reason not to honor the agreement and allow Hong Kong to become a special administrative region of the People's Republic. Since China obviously would benefit from Hong Kong's continuing prosperity, whoever governs in Beijing has an interest in a smooth transition — which makes Britain's failure to use its leverage the more perplexing.

Even before the present convulsion, there was reason to worry over China's maneuverings on Hong Kong. With too little protest from London, Beijing has sought to impose a basic law on Hong Kong that might block a directly elected parliament until the year 2011. The talks are now suspended; when resumed, British resolve should be stiffened by the huge rallies in Hong Kong in support of the democratic protests across the frontier.

On an altogether different level is the moral question of Britain's obligation to its own passport-holding citizens. Refusing to honor their passport rights means treating Hong Kong Chinese differently from all other British subjects fearing involuntary absorption, as in the Falkland Islands and British Gibraltar.

Further, the notion that Britain would be swamped by a huge influx from Hong Kong defies reason and experience. Certainty about passport rights almost surely would induce most Hong Kong residents to wait and test China's intentions, not join a panicky exodus.

Besides, even if this were not true, it offends decency and honor for Mrs. Thatcher's Conservatives to justify delivering three and a half million British subjects like so many sacks of potatoes to a Communist tyranny. It is hard to believe that a leader so given to invoking the memory of Churchill will persist in this inglorious surrender.

— THE NEW YORK TIMES.

AIDS: Hope and Debate

Scientists and public health experts meeting in Montreal last week heard reports offering new hope to those afflicted with AIDS and a speech that is sure to provoke much debate in the months ahead. The two developments are connected.

Two new drugs have proved useful in treating AIDS. One, AZT, has extended the lives of many patients, though it is not promoted as a cure. Another, aerosol pentamidine, appears to be useful in blocking development of a form of pneumonia that kills many AIDS victims. Perhaps the most exciting, though preliminary, scientific news at the conference involves the work being done on an AIDS vaccine.

Just a few years ago, most scientists were extremely pessimistic about developing a vaccine, but that discouraging outlook has begun to recede, and researchers believe that steady progress is being made. Dr. Jonas Salk, the developer of the polio vaccine, leads a team that is working not with the dead virus usually used in vaccines but with part of the core of the AIDS virus. Another group at Duke University has developed a vaccine that incorporates a molecule from the AIDS virus and appears to foster the production of antibodies.

The most promising aspect of the Salk vaccine is that it has been effective in destroying the virus in chimpanzees that are already infected but which did not yet have AIDS. The vaccine has been tested on 19 infected people as well. So far, it is safe, but it is too early to know whether it will be effective in preventing AIDS among those already infected. It is this possibility — and the availability of new drugs for treatment — that will cause a re-evaluation of current policy on mandatory AIDS testing and contact tracing.

Dr. Stephen Joseph, the New York City health commissioner, has opened the debate that surely will continue for many months. If there is treatment available for AIDS sufferers, Dr. Joseph said, "We will have no choice but to change some of our most basic HIV-related policies." Those policies are now designed to protect infected persons from mistreatment by ensuring confidentiality of all test results, even though this means forgoing the usual public health response of keeping personalized records on the spread of a disease and contacting those who might have contracted it unknowingly from others. Until recently, this made sense, since there was no known cure or effective treatment for AIDS and since guaranteed confidentiality was thought to encourage voluntary testing and voluntary changes of risky behavior. But now that there is a possibility that a Salk-type vaccine can help even those already infected, tracing may become imperative. Scientists are still far from a cure for AIDS, and an effective vaccine is still years away. But as the breakthroughs occur, law and public policy will have to keep pace.

— THE WASHINGTON POST.

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, *Chairman 1958-1982*

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, *Publisher*

JOHN VINOCUR, *Executive Editor* • WALTER WELLS, *News Editor* • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • CARL GEWIRTZ, *Associate Editor* • ROBERT J. DONAHUE, *Editor of the Editorial Pages*

RENÉ BONDY, *Deputy Publisher* • ALAIN LECOUR and RICHARD H. MORGAN, *Associate Publishers* • FRANÇOIS DESMAISONS, *Circulation Director* • JUANITA CASPARI, *Advertising Sales Director* • KOURDT HOWELL, *Director, Information Systems*

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx: RS56928 Mng. Dir. Asia, Rolf Kramspuhl, 50 Gloucester Road, Hong Kong. Tel. 5-8610616. Telex: 61170 Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx 416721 Pres. U.S.: Michael Corray, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

© 1989, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

On Honecker's Side, Memory Doesn't Fade

By Jim Hoagland

BERLIN — Nietzsche teaches that memory, which recalls "I have done that," eventually yields to pride, which then argues "I cannot have done that." The German nation teeters between memory and pride in the 40th anniversary year of the creation of two German states from the ashes of World War II.

The dominant mood on the western side of the Berlin Wall is to forget and to have others forget. Pride is asserting its anesthetic force. West Germans move assertively to shed the burden of guilt from the war and to erase lingering traces of the occupation it brought.

Ultimately this means erasing what the historian Fritz Stern has called "the permanently provisional" division of Germany. The West German constitution enshrines unity as the act that will remove the last vestiges of German guilt and defeat.

Here in East Germany, the compulsion is to remember. But this is an exercise in power politics, not in morality. East Germany's Communist leadership clings to history as a source of legitimacy. Amid the turmoil that challenges Communist rule in Beijing, Moscow and Warsaw, leaders here work to keep the legacy of Hitler and the commitment of Stalin in full force as an essential prop for their rule.

A mirror image of West German concerns exists here behind the Wall. For having fought against Hitler and having ruthlessly purged Nazis, Erich Honecker and his colleagues claim a moral authority strong enough to dispense with Western democratic freedoms. And they constantly remind their superpower patron, the Soviet Union, of its commitment to keep Germany divided.

In a long conversation, Mr. Honecker says out loud what Europeans and Americans who share his conviction only whisper: Germany must never be reunited because it inevitably would represent a threat to peace. Reunification, says Mr. Honecker, is a "fireside dream."

The East German leader's contribution to the renewed discussion of the German question is heavily weighted with self-interest. His regime would not survive if the "fireside dream" came into being. Reunification is as much his nightmare as it is of French and Soviet generals.

The shrewd and resilient Mr. Honecker, leader of the East German Communist Party for 18 years, argues that Hitler's legacy hangs permanently over the German nation, which must pay the price of division forever. "Nobody could have an interest in having a state again in the heart of Europe which would be so difficult to keep under control," Mr. Honecker says.

Mr. Honecker chooses his moment deliberately, emphasizing the dangers of changes in the division of Europe on the eve of the visit by the Soviet leader, Mikhail Gorbachev, to Bonn, which recently hosted President Bush.

Mr. Honecker gives his visitor no hint that he shares the fears of some Western observers that Mr. Gorbachev would support a deal to reunify Germany as a neutral state. But the East German leader takes the opportunity of the interview to remind the Soviets that they tamper with peace in Europe if they tamper with the division of Germany.

Mr. Gorbachev's problems, and the popular revolts against Chinese and Polish Communist parties, would seem to confirm Mr. Honecker, who is 76, in his opposition to opening up his repressive system now. He credibly asserts that he introduced economic decentralization and incentive programs in the 1970s similar to Mr. Gorbachev's perestroika.

Mr. Honecker's relations with Mr. Gorbachev do not seem to be as strained as is thought, or perhaps hoped, in the West, where the East German rejection of perestroika and glasnost has been interpreted as a challenge to the Soviet leader.

The sense among observers here in Berlin is that Mr. Gorbachev has told Mr. Honecker that the Kremlin values stability in East Germany above all else, and that Mr. Honecker is free to achieve that stability however he happens to see fit.

With or without Mr. Gorbachev's blessing, that is an increasingly difficult assignment. The enormous budget subsidies that have kept food prices at the same level for 20 years are smothering the economy. The material benefits offered as a justification for Marxist-Leninist repression will soon be beyond the reach of the Worker's Paradise.

And memory fades, just as Nietzsche teaches. German reunification becomes a vital topic once again, complicating life for Mr. Honecker.

But not only for him. Reunification still touches more exposed nerves and potential flash points than any other European issue. That needs to be remembered by American policymakers who may be tempted to make reunification a major issue as a way of "getting back" at Mr. Gorbachev for his success with Bonn.

And remembered by those West Germans who would portray German unity as an issue to be decided by Germans alone, in their way and time. Confronting Washington on sovereignty and security issues while seeming to woo Moscow for reunification purposes would spread mistrust of Bonn throughout the alliance.

And finally remembered by the cynics east of the Wall who depend on Hitler's shortening shadow to provide them with legitimacy. There can be no more gain in artificially preserving a nation's dishonor than there can be in trying to pretend it did not happen.

The Washington Post.

Drawing of Erich Honecker by Szakmann.

The Impresario's Clever New Show

By Brian Beedham

LONDON — By accident or design, Mikhail Gorbachev may have hit on a way of easing the central problem that faces any Communist reformer. It is dangerous to speculate about the Communist world these days — who foretold, a couple months ago, what has happened in Tiananmen Square? — but the recent sessions of the Soviet Union's new parliament suggest that Russia under Mr. Gorbachev may have found a way of steering round the disaster that hit China.

The disaster in Beijing came about because, in China, economic reform got way ahead of political reform: The economy had been partly opened but the Communist Party was still tight shut. When the inescapable difficulties of economic reform showed themselves — inflation, some people getting richer than others, the whole complex business too easily dismissed as "corruption" — those intelligent men who saw that the answer was more reform, not less, were powerless to make their case. The cautious, frightened majority of the party was able to call on the mechanisms of repression and did so. An unreconstructed party behaved in the only way it knew.

Mr. Gorbachev has not reconstructed the Soviet party but he has given it a heck of a whack. He insists on keeping the one-party system: The proportion of party members in the new parliament, more than 80 percent, is even higher than in the old one. The parliament's main decisions — the selection of the smaller inner body that will do most of the work, and the reappointment of the loyal Nikolai Ryzhkov as prime minister — were stage-managed in the old way. Yet, within these limits the new parliament's first session displayed a remarkable openness and vigor.

The KGB was attacked, to much applause. Mr. Gorbachev's own handling of perestroika came in for some tart questioning. On several big issues two sides of the question were heard, and debated. It is not pluralism but it has a whiff of proto-pluralism.

The sight of Communists arguing with themselves has the effect, at least for the moment, of depriving the party of the authority that speaking with a single voice used to give it. That authority was important to Soviet conservatives; it was because Mr. Gorbachev's changes undermined party authority that they resisted the changes. The conservatives, though still in large numbers, are now on the defensive. They have had to listen to people telling them, on television, that they have no ideas of their own about how to rescue the Soviet economy. They have had to put up with painful truths on other subjects.

Gorbachev's new Congress has kept Soviet conservatives off balance.

All this may make it easier for Mr. Gorbachev to organize the further changes the economy urgently needs — not least the radical freeing of prices without which any hope of a competitive economy will never become reality. Such changes are fearfully difficult, because they require the upending of the psychology of the past 70 years. They may now be somewhat less difficult, if the guardians of that psychology are divided and confused.

In the West people tend to assume that economic pluralism draws political pluralism along behind it. The recent evidence from China and Russia may be that in the Communist world, where the politics are so much more rigid, the political breakthrough must come first. By that test, Mikhail Gorbachev is still not doing badly.

International Herald Tribune.

In Britain, a More Human Ethics Code

By Dudley Fishburn

The writer is a Conservative member of Parliament.

LONDON — British political history is littered with the shattered careers of those who have behaved unethically. Yet the approach of the House of Commons to "ethics" is very different from that now prevailing in Congress. It may not be better, but it is certainly less self-righteous, more practical and more in accordance with human nature.

It has produced a system (whatever its other manifold faults) that is less given to moral outrage — except when upper-class Tory members of Parliament flirt with working-class ladies of leisure.

This is how the system works. A backbench member of Parliament — that is, one who does not also have a post in the government or executive branch — is permitted, even encouraged, to take on outside employment. He may be a consultant to a trade union or a bank; he may practice law or be a farmer; he may even host a talk show. Whatever he does to bolster his yearly pretax salary of £24,000 — that is a little less than $40,000 — is permissible. But he must declare his employment, though not the amount that it pays, in a register that is made public. Into this register also go any foreign trips that may have been made at someone else's expense.

Once an MP is appointed to a post in government, the rules change. None of these 100-odd MPs can take an outside job. All work is given up. No payments of any kind and no conflicting interests are allowed. Here ethics are easy. A member of the government has a job — he is working for the queen. He may, therefore, do no other work.

On the other hand, the humble backbencher does not have a job as such: He is there as a matter of constitutional right. If the people elect a fraud, a drunk or a jailbird (and they frequently have all three — with their eyes open, too) — that is their right.

If an MP makes a speech that touches on one of his interests, then he simply says so during the course of his oration. Lying to the House or even misleading it is the one great sin in British politics. (It was this that made John Profumo, secretary of war, fall in 1963, not his philanderings). No member of Parliament would think for a moment of putting his career at risk by not declaring an interest. Sometimes it lessens the impact of his speech, often it does not.

Responsibility for behaving properly rests with the individual MP, not with a cumbersome outside rule book.

What an MP weighs in his mind as he makes a speech or moves an amendment is not "ethics," as some extraneous, restricting barrier, but ethical behavior: that still small voice within. For many, the voice is too small to be heard: Recently an MP resigned because he went for spanking small boys. But resignation, not imposed righteousness, is the proper course for these people. The honorable resignation, even for dishonorable conduct, brings its own tribute: Well done, Tony Coelho.

When I arrived in Parliament, I gave up my job as executive editor of The Economist. My fellow backbenchers advised me to "get a job" that would help with the bank account, as well as raise my intellectual sights to something slightly healthier than the ceaseless contemplation of politics. So now I act as a consultant to a bank, an American law firm and I am a director of a public company. I am on two nonremunerated university boards and the board of the English National Ballet.

Consider this: I recently moved an amendment to protect rural uplands for the National Trust, a charity that looks after England's old estates, of which my father-in-law was, until recently, director general. No pay, just the hope of parental approval. Was this changing the law of England just to get a better slice of the Christmas turkey — and therefore unethical? Or was it moving an amendment about something I knew and cared about? The still, small voice gave me the go-ahead; my amendment failed.

The sins of the world are many — many more than any code of ethics could seek to cover. The more "ethics" are the outside voice of the public or the press rather than the inside one of the politician, the less ethical will be that politician's behavior.

The New York Times.

Responsibility for behaving properly rests with the individual MP, not with an outside rule book.

From Aristotle To Lee Atwater

IN Lee Atwater's native South, there is a term for the political style at which the Republican national chairman excels: "necking it," meaning red-necking it. It is what H. L. Mencken called "boob-bumping," demagoguery designed to arouse the suppressed bumpkin in us all. There is a lot of bumpkin in Lee Atwater.

Now one of Mr. Atwater's subordinates at the Republican National Committee has issued a flier on the new Democratic speaker of the House, Tom Foley. It said that Mr. Foley is "out of the liberal closet" and compared his voting record with that of another House Democrat who happens to be homosexual. When howls of protest arose, Mr. Atwater claimed the innuendo was news to him. The subordinate resigned and took the fall.

This sort of politicking reminds us that democracy is a very risky experiment. In fact, since Aristotle's time, popular sovereignty — self-government — has had a bad name with philosophers and wise men. They argued that it was only a step from mob rule, and had a natural tendency to degenerate into it. It begins to look as if Aristotle had a point.

What an irony that just as the Chinese are dying and facing down tanks for a taste of democracy, people like Lee Atwater are turning it into a swamp of triviality and innuendo.

— Edwin M. Yoder Jr. in The Washington Post.

Impaled On the Law Of Reform

By Charles Krauthammer

WASHINGTON — [illegible] Communist collapse [illegible] irony to be savored that [illegible] who pride themselves on having deciphered the laws of history, should have so impaled themselves on [illegible] law that dates at least to 1789: Kingdoms fall when they start to reform.

When revolutionaries rewrite history, they always portray the regime just overthrown as having grown increasingly overbearing and oppressive. But as De Tocqueville noted looking back on the French Revolution, the time of maximum danger for despotism is precisely when it begins to relax its pressure: "The most critical moment for bad governments is the one which witnesses their first steps toward reform."

What was true for Louis XVI and in our day, the shah, is most dramatically true of the Chinese Communists. Today's revolution occurs 10 years into Deng Xiaoping's massive liberalization, which saw not only a radical freeing of the economy but a dramatic opening to the West through travel, tourism, modern communication and student exchanges.

The lesson for other Communists, like Comrade Gorbachev, is clear: Reform at your peril. But the reason communism is now caught in such a vise is that, as Mr. Gorbachev has concluded, communism has no choice but reform. Why? Because this decade has revealed yet another iron law of history: In conditions of modernity, totalitarianism is unsustainable.

This is a remarkable reversal of expectations. Dictatorship had long been thought durable, democracy fragile. It was only six years ago that Jean François Revel published "How Democracies Perish." But not even the American Founders were sanguine about the chances of the long-term survival of democracy. "There never was a democracy yet," wrote John Adams to John Taylor, "that did not commit suicide."

Yet, democratic regimes have proved durable because of their extraordinary adaptability. In the last 25 years, American democracy has absorbed the forces of civil rights, feminism, environmentalism, even rock culture, to the point that they are now part of the established landscape.

The Peruvian scholar Hernando de Soto has chronicled the myriad feedback mechanisms that Western democracies have built into even mundane political processes, such as rule making. By inviting criticism, debate and revisions by interested parties and ordinary citizens, even the bureaucracy produces rules that reflect reality and yield social benefit. Dictatorships, and quasi-feudal mercantilist states such as Peru, have nothing of the sort.

But democracies have always been flexible and dictatorships not. Why then now do dictatorships seem such unstable political vehicles? Because technological and social change has become so rapid. Where society, technology and culture are essentially static, dictatorship can survive for generations. But modernity, which is defined by its relentless exponential pace of change, makes the command society a prescription for instability.

What drives history is not class struggle but ever accelerating change. In such an environment, Darwinian laws of evolution apply. The adaptable organism survives. Totalitarianism is a dinosaur of adaptability.

This is not to say that democracy and freedom are inevitable. The instability of totalitarian systems may or may not eventuate in freedom. Communism and democracy are not, after all, the only political choices open to a society. China, for example, has recently been said to face the prospect of civil war, military rule or even a return to warlordism. The least likely outcome is victory for the democracy movement. When tanks contend, it is unlikely students will rule.

While the contention of tanks does not guarantee democracy, it does prefigure the collapse of communism. Most advanced on that road is Poland, where the Communist Party was humiliated in its first half-free elections. It is precisely in China and Poland (and we might add, Hungary), where reform has been boldest, that collapse is most imminent. Reform communism may be communism's last stage.

It is poetic justice that Marxism should now be subject to a series of historical contradictions that make its decline as inevitable as the decline it had predicted for bourgeois democracy. History is the great god of the Marxist heresy. In Beijing and Warsaw, history is speaking. And for communism the verdict, to borrow the official government comment on the Polish elections, is "truly disadvantageous."

Washington Post Writers Group.

100, 75 AND 50 YEARS AGO

1889: Liberals Jubilant

BRUSSELS — The demonstrations against the Government in consequence of the revelations of the Mons Socialist trial are assuming greater importance than was at first expected. To-day [June 11] took place the *ballotage* for the election of a Deputy for Brussels. The Liberals have sunk their differences and voted as one man for M. Janson. He was elected by 10,539 votes, as against 8,602 given to the ministerial candidate, M. de Becker. When the result of the polling became known, the popular enthusiasm knew no bounds. The streets were thronged with people, shouting: "Down with the Cabinet!" and "Vive Janson!" alternately. A band of several thousand persons besieged the offices of the Catholic newspaper the *Patriote* and broke all the window panes. It has been judged necessary to supply each of the Ministers with a strong guard of police. Prominent Liberals have, on their side, been accorded an ovation, and at present their houses are being surrounded by a cheering multitude.

1914: Virtuous Fashion

NEW YORK — Three thousand women delegates to the National Convention of Women's Clubs at Chicago yesterday [June 10] passed a resolution declaring that the present-day fashions are immodest, uncomfortable and unattractive, and calling on American women to boycott the French designers and encourage virtuous American styles. Speeches were made by women delegates declaring that the French styles were made primarily for loose women and were corrupting to all feminine modesty.

1939: A Book Shelter

DUBLIN — An air raid shelter is being built outside the library of Trinity College to protect the Book of Kells and other priceless manuscripts should the need arise. It will be lined with about three feet of armored plate.

Part I International Herald Tribune A Special Report Monday, June 12, 1989

Aviation: Planning for the '90s

John Copes-van Hasselt

Visitors to the Paris air show assess the Airbus, which currently has 17.2 percent of the international market.

Industry Rides Wave of Expansion

By Robert Bailey

PARIS — The 38th Paris Air Show is taking place at the most expansive period in world aviation history. Indeed, the future of aircraft manufacturers has never appeared more secure, with world passenger traffic alone forecast to double in the 1990s to more than two billion journeys a year by 2000.

The industry's optimism is underlined by record order books now held by all major airplane manufacturers in both Europe and North America. In spite of this, however, the skies are not entirely cloudless. Safety and security questions, while not the focus of public attention they were six months ago, continue to loom as major unresolved issues for the future.

How far can aircraft be "stretched" without compromising the airworthiness of original aeronautical designs? How reliable are computerized "fly-by-wire" aircraft? These are unresolved technical questions, despite manufacturers' expensive marketing campaigns and the reassuring statements made to the traveling public.

Security probably remains the most serious problem for the aviation industry in the next decade. How much inconvenience, particularly in terms of time taken at check-in, are passengers willing to tolerate? How much investment will airport administrations be willing to make in high-cost detection equipment, as well as in training and recruitment of specialist staffs?

But the 1,500 companies gathered at the Paris show, which ends Sunday, are aiming first and foremost to market aircraft and aerospace equipment to potential customers, and questions on such issues are unlikely to be uppermost.

The Soviet Union, for example, despite the setback of the MiG-29 crash last Thursday, is using the 10-day exhibition to project its design capability in both civil and military aerospace manufacturing. It is hoping that a new generation of civil airliners will prove attractive, particularly to East European countries where carriers such as Interflug, LOT and Malex have begun to make purchases of Western aircraft for the first time.

International demand for new aircraft is expanding at such a pace that Boeing this year revised its 15-year forward sales projections — estimates made just one year earlier — upward by 22 percent.

According to the Seattle-based manufacturer, expenditures could total a staggering $480 billion, with 70 percent of purchases resulting from a need to accommodate increased passenger traffic. This will be stimulated by a decline in the real cost of air travel due to more economical aircraft, lower personnel overheads and stable fuel prices. Rising discretionary incomes also will be reflected in greater spending on leisure, Boeing predicts.

Airlines all over the world are gearing up for this surge, which is expected to be felt particularly on long-distance routes. Japan's All Nip-

Continued on page 12

Europe Facing Congestion Crisis

Commuter Airlines Vie For Burgeoning Market

By Peter Middleton

LONDON — A new 50-seat jet airliner is being developed from the Canadair Challenger business jet to attack the regional airline market, currently dominated by turboprops. Scheduled to fly next year and to be in service in 1992, the Canadair Regional Jet (RJ) is the first credible attempt to bring the passenger appeal of jets to this short-range, small-airliner sector.

Potential customers operate with small profit margins, however, so they will weigh carefully the marketing and productivity advantages of the good-looking, fast jet against the lower purchase price and operating costs of its turboprop rivals.

The new jet is designed to expand the catchment radius of airlines providing feeder services into the big U.S. hub airports. It will also permit the development of a perceived new interregional business travel market within Europe, where liberalization of the air transport industry after 1992 may combine with congestion at major airports to encourage direct services between secondary centers, typically 500 miles to 1,500 miles (800 to 2,400 kilometers) apart.

Such routes are unlikely to have the traffic to support current jets — the smallest of which seats almost twice as many passengers as the RJ — and could be tedious for passengers if they had to fly in much slower turboprops.

The first customer for the 500 mph RJ is Lufthansa's regional airline

Continued on page 12

Aides Fear Overcrowding Could Slow Deregulation

By Barry James

PARIS — European Community officials are planning proposal for a major new round of airline deregulation aimed at reducing bureaucracy, increasing competition and bringing down fare in the European single market after 1992.

But the airline industry warns that increased liberalization is likely to come up against a solid wall in the form of overcrowding at airports and in the skies over Europe.

"The overcrowding of European skies could put the whole air transport liberalization process at risk, either seriously slowing down the process or ruining it altogether," said Günter Eser, the director general of the International Air Transport Association, IATA, in a recent speech.

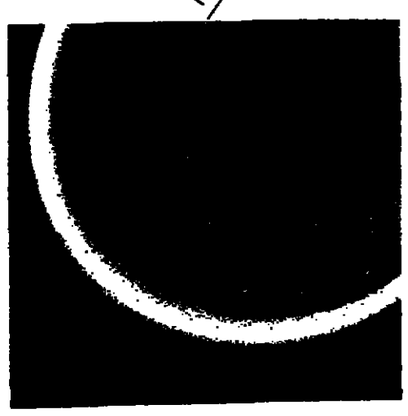
IATA, which represents the airlines, probably knows more about the congestion problem from a global perspective than any other organization. A year ago, it set up an industry task force on congestion with the participation of governments, the International Civil Aviation Authority and the airports in an attempt to come up with short- and long-term solutions to the rapidly worsening congestion crisis.

"A lot of our activity has been concerned with solving the day-to-day problem of bottlenecks in Europe," said the chairman of the task force, Captain Dick White, who recently retired as chief operating officer of Aer Lingus.

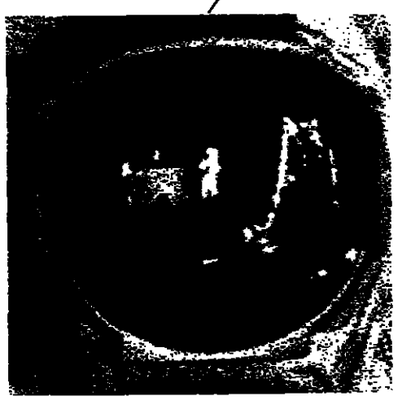
Mr. White acknowledged that progress so far this year has been

Continued on page 10

PRATT & WHITNEY



HAMILTON STANDARD



SIKORSKY

SPACE SYSTEMS

The leadership of United Technologies' aerospace companies reaches from the earth to beyond the moon. Sikorsky helicopters continue to set standards for vertical flight. Pratt & Whitney jet engines and rocket motors establish new records even beyond the speed of sound. Norden radar systems monitor a world of motion. At the atmosphere's edge, Missiles and Space Systems explores fields from propulsion to optics. And finally, in the airless depths of space, Hamilton Standard systems support astronauts' very lives. We learn from each of these endeavors. And we share that knowledge among our companies to make the most of our united technologies.

UNITED TECHNOLOGIES

Europe Is Facing Airport Gridlock

Continued from page 9

lisappointing, with heavy delays n the first quarter which, he said, iad created pessimism about what s in store for the peak months.

One reason for those delays is hat some governments required ir traffic controllers to clear up heir leaves and accumulated over- ime before the summer rush, neaning that there were shortages f controllers in critical areas ear- ier this year.

"Provided there are no strikes, I m reasonably optimistic that the eak summer period will be no orse than last year and possibly omewhat better," Mr. White said.

Depending on the region, traffic as grown between 10 percent and 4 percent since last summer, when delays were already among he worst on record in terms of oth frequency and duration. En- ropean transport ministers held heir first-ever meeting last Octo- er to try to find ways to prevent nother such crisis this year.

One of their principal decisions was to improve what is known as he "flow control" system, which ir traffic controllers use to limit he number of aircraft in their air- pace at any one time. Flow con- rol takes into account all aspects f a flight, including conditions at oth takeoff and arrival airports.

This means that an aircraft can- ot take off until it has received learance from all the traffic con- rol centers along its route and a uaranteed landing spot at the ther end. There have been cases here the failure of busy control- rs to answer a telephone have led o long delays.

Last year, 22 air traffic control enters in Europe applied flow ontrol measures, with little prop- r coordination. In an attempt to mprove the situation, the five ma- or control centers — London, aris, Frankfurt, Rome and Ma- rid — have been linked by a ommon communications system.

"It is not just a matter of a onference telephone," Mr. White aid. "It is a highly complex busi- ess of getting flight plan data and ata bank information, planning head strategically and integrating nformation with problems like he weather, and so on."

The European Civil Aviation onference is working on a plan to stablish two central and inter- nked flow control centers in Eu- ope by 1994, one in Brussels to andle all the traffic in Western Europe, and the other in Moscow to coordinate flights in Eastern Europe.

"The Americans, who have one flow control unit for the whole of the United States, are spending a lot of time and resources in increasing its technology and capability," Mr. White said. "Flow control is not just a crisis tool. It does help to produce more capacity out of the system than if you don't have it."

Mr. White said the IATA task force is looking at a number of technological solutions to the congestion crisis. These include increasing the number of runway exits to increase airport capacity, reducing the three-mile (4.8-kilometer) separation between landing aircraft, a standard set in 1947, narrowing the space between parallel runways and introducing new microwave landing systems that promise the possibility of curved as well as straight approaches to airports.

But these are all short-term measures aimed at weathering the crisis over the next few years.

"What we are trying to do," he said, "is at least to make sure the system is capable of doubling traffic by the end of century while we start working on long-term plans."

But technological fixes are no use unless there is an improvement in the labor situation that until now has led to repeated delays in the entire system. A strike or go-slow in one country can have widespread spillover effects. At their meeting last year, the ministers promised to make staffing problems a matter of priority.

Mr. White said there has been a lot of progress in improving industrial relations between governments and the air traffic controllers on whom the system depends.

"Six or eight states have signed long-term and progressive agreements with their controllers, and several of them have no-strike clauses. By and large, we see a considerable improvement in some of the key areas like France, the United Kingdom and Scandinavia," he said.

One major problem is the shortage of controllers throughout Europe that is the result of both the general expansion in traffic and, Mr. White said, "the poor forecasting for which we, the airlines, have to take some responsibility."

The task force would like to see a common two-year syllabus for trainee controllers throughout Europe as a means of preparing for the better integrated airspace hoped for in the future.

During the busiest summer months, several governments are again likely to make military air space available to civilian aircraft when it is not needed for training purposes.

Operating fewer but larger aircraft has sometimes been mentioned as one solution to the congestion problem. Mr. White said he doubted this would be adopted in Europe.

Apart from the short-term measures it has already proposed, the IATA task force is working on a plan for the long-term alleviation of traffic congestion, which it will present at the association's annual meeting in Warsaw next October.

Inevitably, the plan is likely to include recommendations to build several new airports. Only two airports are at present under construction in Western Europe — at Oslo and at Munich.

Mr. White said the argument for new airports has not been properly developed in the face of environmental pressures and demands for spending restraints. "People assume there is a no-cost option. In other words, if we do nothing and keep squeezing, things will be all right," he said.

Asked if he agreed with Mr. Eser's assessment that a failure to solve the congestion problem could jeopardize attempts to liberalize air traffic in Europe, Mr. White replied: "Absolutely. There is no doubt that congestion conflicts with the desire of the EC to increase competition, to decrease costs and to make air travel more widely available as part of the Community's infrastructure development."

Unless the investment is made to enable air traffic to grow at its natural rate, Mr. White said, "then the total economic life of Europe will be constrained to some extent, which may never be measurable because one will never know what would have happened if the investment had been made."

BARRY JAMES is on the staff of the International Herald Tribune.

Reuter/Sygma

Crowds at the Frankfurt airport: An IATA task force is trying to find solutions to European congestion problems.

FAA Center Coordinates U.S. Air Traffic

WASHINGTON — Before sunrise on a recent Wednesday, the guardians of the United States' air traffic routes were already gazing into their computers at Federal Aviation Administration headquarters.

Pockets of thunderstorms were pelting the Northeast. That would mean traffic delays for flights into New York airports. Chicago's traffic, slowed by morning rain, was further slowed by a convention that had drawn a large number of business jets.

The controllers ordered slowdowns for arrivals into New York and quickly reconfigured routes for Chicago-bound jets. Philadelphia's traffic was directed further south to avoid the storms. Atlanta's westbound traffic, in turn, was shifted to allow the Philadelphia traffic to blend into the flow.

Such maneuvers occur every day in the FAA's nerve center, known as Flo Control. By 1 P.M., Flo Control's technicians would be monitoring the progress of 3,172 jets traversing the skies, and by day's end, would have initiated routing changes or delays that affected 15 airports from San Jose, California, to Charleston, South Carolina.

Established during the 1981 controllers' strike, the program has evolved into a tool used by the FAA to cope with the mushrooming jet traffic in a booming industry. Now the FAA is looking to assist European controllers in establishing a similar program that will improve coordination among European controllers.

Traffic congestion in Europe is primarily airborne, while in the United States, Flo Control is used to battle backups caused by a shortage of airport gate space on the ground.

Before the controllers' strike in the United States, during which 11,000 of the nation's 16,000 controllers walked off the job, the FAA used airborne holding during airport rush hours and allowed jets to stack up over airports while waiting to land.

With the strike, and a drastically reduced work force, the FAA abandoned such complicated maneuvers to ensure safety. The FAA began holding jets on the ground at their departure airports. Flo Control was born.

Still, air traffic congestion in the United States has not been eliminated. The volume of air traffic swells annually. The only planned new airport in the entire country, in Denver, is mired in local politics and has been challenged in court.

The controller work force is less experienced than the controllers of the pre-strike era, and the FAA has been slow to upgrade controller facilities and acquire modern equipment. Control facilities in major cities such as Chicago, Los Angeles and New York suffer from chronic understaffing and low morale.

Controllers working these major hub airport cities complained in a recent survey that Flo Control is feeding them more jets in peak periods than they can safely handle.

Although the airlines have readjusted their schedules, spreading flights away from the peak hours, the entire scheduling system still ties individual airports together. The passenger traveling from San Jose to Washington, D.C., must still pass through Denver or Chicago. Local thunderstorms at two or three key airports can effectively paralyze the entire country.

Laura Parker

Security Measures Are Erratic, Vary Widely by Location

By Laura Parker

WASHINGTON — When Judith Kipper tried recently to fly to New York from Rome, she found herself in a face-off with airline security agents and learned firsthand of new vigilance in Europe to thwart airline terrorism.

Ms. Kipper is a Middle East scholar with the Brookings Institute in Washington.

But to Trans World Airlines, she fit the profile of a bomb courier. She arrived at the check-in desk late. She was traveling alone. She had just come from Tunis and her passport contained a large number of visas from Mideast countries. TWA barred her from the flight.

Her case, while extreme, is also isolated. Nearly six months after the bombing of Pan Am Flight 103, there still is no systematic approach to handling international airline passengers, and technology lags far behind the bombmakers' skills.

Interrogation of passengers, while increased, is erratic. Hand searches of carry-on baggage are often cursory. It is not uncommon for checked luggage to slip on board without being X-rayed. X-ray equipment at most airports cannot detect the plastic explosives that are now used in making bombs, and more modern technology is still not widely used.

Elaborate security screening precautions such as those used at the Zurich Airport to inspect parcels and transfer passengers are not duplicated elsewhere.

THERE is dispute among security officials on both sides of the Atlantic over whether portable electronic equipment, such as portable computers or radio cassette players like the one that contained the bomb on Flight 103, should be banned from international flights.

U.S. Transportation Secretary Samuel K. Skinner, who opposes such a ban, concedes that his view is opposed overseas.

"In the real world, any security program has to have the right balance between the threat that exists, the procedures and the very practical need to move millions of people through a public facility on some type of scheduled basis," said Monte Belger, the Federal Aviation Administration's deputy in charge of security.

Mr. Skinner is still working to forge agreements with his counterparts in Europe over new security procedures. His request that the FAA review security plans of European carriers operating in the United States has met with some resistance, but he said he is more optimistic about reaching agreements to install high-tech bomb detecting machines, priced at $1 million each, at high-risk airports.

As a trial, Mr. Skinner and British Transport Secretary Paul Channon have agreed to install a machine at John F. Kennedy International Airport in New York and another at Gatwick Airport near London in July.

At home, Mr. Skinner has suggested that the devices are necessary and that U.S. airlines finance them themselves. The devices, known as thermal neutron analysis units, will not be available until later in the year.

> A security program has to have 'the right balance between the threat . . . and the very practical need to move millions of people through a public facility.'

But Mr. Skinner has not yet ordered the airlines to acquire the devices. The airlines, meanwhile, argue that the target of the terrorists is the U.S. government, not the carriers, and, therefore, that the government should finance the extra precautions. The airlines have pressed the government to spend $66 million to acquire 66 of the TNA units.

That it took the bombing of Flight 103 to jolt U.S. officials into action has perplexed those in the security business who have long warned that present procedures, which were adopted in the early 1970s, were inadequate.

The bombing of Flight 103 was the second bombing of a Pan Am jumbo since 1982 and the third known occasion that the airline was targeted with a small, plastic explosive. Throughout the 1980s, the number of bombings has steadily increased.

"We've known about this threat since 1982," said Billie Vincent, who headed the FAA's security division in the early and mid-1980s. "At some point, we should have built a comprehensive system to detect these bombs."

LAURA PARKER covers transportation for The Washington Post.

STRENGTH
AEROST
From 315 km/h

to Mach 1.9
Hercules composites keep fast company in Europe.

Today you'll find strong, lightweight Hercules® graphite composites at work throughout Europe. Delivering speed and crashworthiness to World Champion Marlboro McLaren Honda race cars. Trimming weight for supersonic fighters. And qualifying for diverse applications on Europe's new Airbus fleet.
Flight-proven graphite composites. Now manufactured at Hercules' new prepreg facility in Spain.
And supported by a network of marketing and technical support offices throughout Europe.
For more information, simply write: Hercules Aerospace—Europe, Composite Products Group, 3, Rue Eugene & Armand Peugeot, 92508 Rueil-Malmaison Cedex, France. Or call 1-47-51-29-19.
HERCULES
A Hercules Incorporated Company

Iraq Sheds Role of Captive Market

Purchases Tied To Technology And Production

By Kenneth R. Timmerman

BAGHDAD — When Iraq put on display dozens of new weapons projects here last month, the message to its foreign suppliers was clear. Iraq no longer seeks to just purchase weapons, it wants production and maintenance technology as well.

It was a painful message for many of Iraq's arms suppliers, accustomed to a huge captive market. Iraq is the second largest arms importer after India in the Third World, and the largest Third World market for many Western aerospace companies.

The French have traditionally led the way in Iraq, with arms sales since the beginning of the Gulf war that have been estimated at a total of more than $17 billion.

Now the French — and Iraq's other suppliers, including the Soviet Union — must compete in a different game: Who can supply the best technology transfer package?

"We are determined to build up our own aircraft industry, based on license production of an advanced jet trainer," Lieutenant General Amer Rashid al-Ubaidi said in an interview in Baghdad last month. Iraq's need was so urgent, General Rashid said, that all major contract awards concerning this multibillion-dollar program, called the Fao Project, would be made within the year.

General Rashid is one of a small group of highly qualified technicians who make the real decisions in Iraq's newly created Military Production Authority. He was one of those responsible for the development of Iraq's missile program, a project so secret that even after the first missiles were launched against Tehran in February 1988, no one quite believed it truly existed.

"All over the world you can hear people bragging about how much they will do," the general noted, "and at the end of the day they have nothing. We have chosen to keep silent all these years, even as others mocked us. And today we have something to show that no one can deny."

The array of locally produced or modified military equipment that Iraq put on display last month included everything from small arms to major weapons systems.

Besides a dozen different missiles, some still in development, the Iraqis showed evidence of new weapons development and sophisticated modifications that surprised many Western observers. Among these was the marriage of a Soviet-supplied laser-guided missile to the French Mirage-F1 fighter-bomber, using a Thomson-CSF "Atlis" laser-designation pod to guide the Soviet missile to its target.

Kenneth R. Timmerman

Iraqi technicians wheel away a MiG-29 after a demonstration flight.

Another Iraqi surprise was the fitting out of an Ilyushin-76 jet transport aircraft as an airborne early warning system, using British and French radar technology. Iraqi officials said the plane was used with success against Iran during the final months of the war. Besides a Collins IFF transceiver, the Iraqi plane uses a belly-mounted fiberglass radome in place of the cargo door, and a Thomson-CSF "Tiger G" early warning radar.

Iraq's arms industry is a recent creation. The first turn-key powder and propellant factories were delivered by the Soviet Union in 1976-1978.

Driven by the war and the crushing burden of its foreign debt, Iraq turned in earnest to local arms production in 1984. But the crucial moment came in 1986, when France and other suppliers refused to enter substantial new contract negotiations until Iraq had paid its outstanding military bills. The Iraqi military debt to France currently stands at around $4 billion, according to French officials.

"I am personally grateful to many of the 'no's' we received from our arms suppliers," Lieutenant General Amer Hamoudi al-Saadi said in a recent interview in Baghdad. General al-Saadi is first deputy at the Ministry of Industry and Military Industries, which was set up in 1987.

Areas of Iraqi production strength include electronics — thanks to extensive agreements with Thomson-CSF — munitions and military-related chemicals. Now it wants to set up an aerospace industry for local assembly of an advanced jet trainer and for depot-level maintenance of its entire fleet of nearly 500 advanced combat aircraft.

The jet trainer contract pits four main competitors, Avions Marcel Dassault/Bregnet Aviation (France), British Aerospace, Aermacchi (Italy) and CASA (Spain).

But only two entries remain under consideration for the off-the-shelf buy of an advanced ground-attack fighter: Dassault's Mirage-2000S and the Sukhoi-24 (the one glaring absentee in the Soviet display at this year's Paris Air Show). Iraq's total aerospace needs, minus the weapons complement, is estimated at $6.5 billion.

Iraq's arrival on the scene as a weapons producer is the most spectacular of a series of Third World entries in recent years.

In the Arab world, Iraq is the second country after Egypt to set its sights on extensive local weapons production. But it is not alone. Jordan demanded a significant share of local maintenance training in its recent Mirage-2000 deal with France, as well as construction of an overhaul facility for its aging Mirage-F1 fleet. The technology transfer deal was considered of greater strategic importance than 12 Tornados from British Aerospace, which Prime Minister Zaid al Rifai finally canceled on March 25.

Even Saudi Arabia, not generally considered an arms producer, has recently entered the game, with production starting this year of a locally developed armored vehicle.

The question for many Western suppliers becomes not how much they can continue to sell, but how much proprietary technology they can retain in future arms deals. For as Third World clients demand an increasing share of local assembly, they will also become privy to many Western production technologies.

KENNETH R. TIMMERMAN is editor of Middle East Defense News.

Measures
tic. Vary
by Location

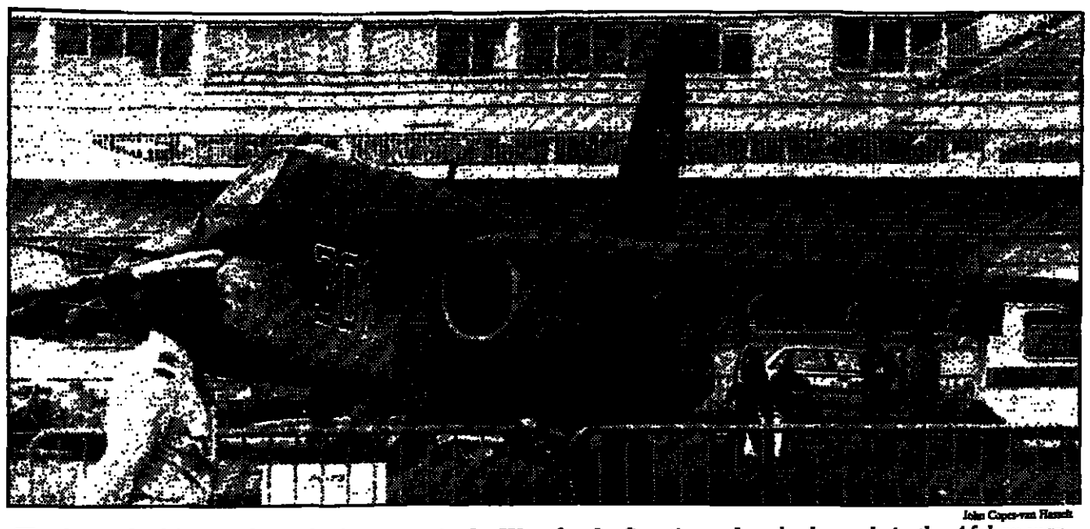
e Market

EUROPE: WHERE IMAGINATION WORKS WONDERS

A NUMBER OF YEARS AGO A FEW MEN IMAGINED A NEW EUROPE... TODAY THAT'S A REALITY! THROUGHOUT HISTORY IMAGINATION HAS PLAYED AN IMPORTANT PART IN THE DEVELOPMENT AND THE SUCCESS OF EUROPE. EVERYDAY THOSE WHO DREAM SEE FRUITION OF THEIR EFFORTS. IN THE TECHNOLOGICAL WORLD, EUROPE CREATIVELY CONTRIBUTES IN ALMOST EVERY SECTOR. WITH THE COOPERATION OF 11 NATIONS, WE AT AEROSPATIALE PLAY OUR PART IN LETTING OUR IMAGINATION SOAR AND TAKE PRIDE IN EACH ADDITION TO THE LONG LIST OF INTERNATIONAL AIRLINES THAT HAVE CHOSEN AIRBUS AND ATR FOR THEIR FLEETS. WE ARE ENTHUSIASTIC ABOUT THE TECHNOLOGICAL INNOVATIONS THAT ARE LEADING US CLOSER TO THE LAUNCH OF HERMES, AND ARE PROUD OF OUR IMPORTANT ROLE IN DEFENCE, OF THE GROWING NUMBER OF MULTIPURPOSE SATELLITES LAUNCHED BY ARIANE, AND OF THE DEVELOPMENTS OF THE NEW HAP/HAC AND NH-90 HELICOPTERS. FOR AEROSPATIALE AND ITS PARTNERS, THE EUROPE OF TOMORROW IS AS WIDE - AS BIG - AS LONG - AS OUR IMAGINATION WILL TAKE US.

aerospatiale

AEROSPATIALE: IMAGINATION AND BEYOND



John Copes-van Hasselt

The Soviet Su-25 ground attack plane, seen in the West for the first time, played a key role in the Afghan war.

Combat Aircraft Market Heats Up

By Robert Bailey

LONDON — There are some 33,000 combat aircraft in service with air forces throughout the world. Many of these will be ending their operational lifespan during the 1990s, and the race is on between manufacturers in the United States and Europe to supply their replacements.

Manufacturers' military sales are likely to be boosted as well by the needs of industry to recoup production costs and reduce unit costs through export sales. As a result, there are increasingly fewer restrictions placed on the supply of sophisticated combat aircraft to customers outside the North Atlantic Treaty Organization and Warsaw Pact areas.

The trend has been graphically illustrated in recent times by the supply of French Super Etendard fighter bombers armed with Exocet missiles to Iraq, the U.K.'s Tornado deal with Saudi Arabia and most recently by the Soviet Union's sale of Su-24 strike aircraft to Libya.

Soviet export policies have changed markedly in the last few years, with even the most advanced aircraft being marketed on a commercial basis and strictly for hard currency.

The Third World in general, but particularly the Middle East, is a focus of many sales efforts. At the Paris Air Show, the Soviet Union planned to display six combat aircraft: two variants of its Sukhoi Su-27, two Su-25s, and two MiG-29 fighters, but one of the latter crashed on the show's opening day. The MiG-29 made its international air show debut at Farnborough last year.

Some countries with sufficient technical and industrial infrastructure are trying to develop their own combat aircraft independently of the United States or Europe. However, the costs of going it alone are prohibitive and in the end proved too much even for Israel, which has a well-established aerospace and electronics industrial base, and led it to cancel its ambitious Lavi project.

Similar budget overruns are already whittling away at India's development of a single-seat delta wing jet fighter. Some 1.3 billion rupees ($80 million) has already been spent on the fighter, which is not expected to fly until 1996 at the earliest. In any event, a final product is likely to rely heavily on acquired technology and components rather than purely home-developed products.

The main problem in the development of combat aircraft for the next decade is that materials, electronics and their integration into new designs are at the leading edge of current technologies, with research and development costs on a scale greater than experienced in any previous programs.

The European Fighter Aircraft development has only taken off with an understanding by the British, West German, Italian and Spanish governments that contracts will be fixed price. These are based upon fully detailed specifications that convert the defined operational needs of the four countries' air forces into contractually binding technical requirements.

Getting the cost parameters right has become as important to a project's success as solving problems of technology. There are still unresolved questions concerning the ultimate viability of the EFA program, but at the moment it appears to have a much more solid foundation than the rival Rafale development being undertaken by the French companies Dassault, Thomson-CSF, Electronique Serge Dassault and Snecma.

Having apparently lost the prospect of Belgium collaboration earlier this year, the 35 billion franc ($5.4 billion) Rafale project at present will have to be funded entirely by France. The picture is also clouded by proposed cuts in French defense expenditure, which may delay entry of the new fighter until the end of 1996.

Technological problems of immense complexity also face those developing the new generation of fighters. This was illustrated in February when Saab's prototype Gripen aircraft crashed during its first flight, when its computerized control system malfunctioned.

Nevertheless, it is a desire to participate fully in the development of new technologies that is driving European efforts, even though combat aircraft with similar characteristics could be purchased at less cost from the United States. With this in mind, General Dynamics has offered an updated version of its F-16, known as the Agile Falcon, and McDonnell Douglas its F-18 derivative Super Hornet 2000.

Meanwhile, the countdown continues for one of the biggest military contract competitions ever in the United States, involving design bids for the Air Force's advanced tactical fighter and the Navy's advanced tactical aircraft.

The full production contract for the ATF, which could be worth $45 billion, is being pursued by two consortiums. One links Lockheed, General Dynamics and Boeing Military Airplane Co. and the other Northrop and McDonnell Douglas.

Observers believe that final selection of the consortium that will build these aircraft could determine which manufacturers will survive as producers of U.S. combat aircraft beyond the year 2000.

The next century may well see a new center of industrial power in the aerospace field with the steady entry of Japan into advance aircraft manufacture. However, the debate over the FSX project — and the questions raised about the supply and sharing of technology between Japanese industry and General Dynamics to produce a new fighter in Japan, based on the latter's F-16 — has fueled a bitter controversy.

Supporters of the deal see the FSX agreement as a collaborative venture likely to yield mutual technical benefits.

Rivalries Stall Asian Booking Unit

By Michael Richardson

SINGAPORE — Plans by countries in Asia and the Western Pacific to develop a common airline and travel booking network to counter the power of giant computerized reservation systems in the United States and Western Europe have been aborted by aviation rivalries and considerations of national prestige.

Instead of a single Asia-Pacific CRS, at least two rival groupings have emerged, each of which is connected to competing American networks.

The Abacus system has Singapore Airlines and Cathay Pacific Airways of Hong Kong as founder members. In January, China Airlines of Taiwan, Malaysian Airlines System and Philippine Airlines signed letters of intent to join. Royal Brunei Airlines signed on May 30.

Qantas Airways of Australia is the prime mover behind the second CRS, known as Fantasia. Japan Air Lines took part in the feasibility study for the new network but has not yet agreed to share development costs, which would confirm full participation.

In the past few months, CRS alliances in the Western Pacific have been broken and new ones formed as airlines maneuver to gain the most advantageous position for themselves.

Aviation analysts in the region said it was still not clear which group would emerge in the strongest position. Nor is it certain, if there continue to be two or more rival CRS consortiums, whether they will be strong enough to safeguard the interests of their members in negotiating distribution rights with airlines that control the huge travel reservation networks in North America and Europe.

Most Asian and Pacific airlines are not yet firmly committed to either Abacus or Fantasia, although officials of both systems asserted that alignments would harden in the next few months.

The stakes are high.

"It is no exaggeration to say that airline reservation systems are undergoing a revolution, such is the immense power of the new mega-computer reservation systems," said Cheong Choong Kong, managing director of Singapore Airlines.

"In a nutshell, these new systems save airlines money, make the lives of travel agents easier and, most importantly, offer customers a better choice of services," he added.

John Menadue, chief executive of Qantas, said that Fantasia and Abacus are being developed in the Asia-Pacific region "for the same reason the Europeans are establishing their systems — that is, to counter and challenge the ambitions of the U.S. systems."

The Europeans, he added, "want to inflict on us arrangements which they quite rightly rejected when the American systems were trying to penetrate and fragment the markets of Europe."

A mega-CRS builds on the base of existing computerized reservation systems used by airlines and travel agents by offering up-to-date information and instant bookings for hotels, tours, car rentals, train bookings and other land-based travel services, as well as airlines, in many parts of the world.

"It's not just distribution at stake, it's market access, massive revenues and competitive edge" for airlines and other players in the multibillion-dollar global travel industry, said Geoffrey Lipman, executive director of the International Federation of Airline Passengers' Associations.

> 'It's not just distribution at stake, it's market access, massive revenues and competitive edge.'

U.S. carriers operate five competing mega-CRSs. European airlines have formed two CRS consortia.

Abacus, based in Singapore, has acquired a 10 percent shareholding in PARS, the CRS operated by Northwest Airlines and TWA of the United States. It also selected PARS as the primary software provider for the Abacus network, which is being established at a cost of about $100 million.

Abacus is also negotiating a cooperative marketing agreement with Amadeus, the European CRS that includes Lufthansa of West Germany, Air France, SAS of Scandinavia and Iberia of Spain.

Under the first phase of the Abacus development plan, which ended in March, Asian travel agents hooked into the system were given direct access to the PARS mainframe computers in Kansas City, Missouri.

Abacus will become an independent Asia-Pacific CRS with global links by the end of 1990, when its software will be transferred from Kansas to run from a computer complex in Singapore capable of handling 300 messages a second and supporting a network of more than 10,000 terminals.

Peter Sutch, managing director of Cathay Pacific, said that before the end of 1989 subscribers to Abacus would have access to more than 200 airlines, 16,000 hotels and 40 car rental firms. "The system will ultimately allow travel agents to obtain bookings and tickets on every airline in the world," he added.

Abacus officials in Singapore said that users of the network would gain access to displays of all airline fares from the lowest to the highest. The system will also incorporate a low-fare finder that can automatically book the lowest fare or seasonal tariff.

The largest CRS in the world, Sabre, which is owned by American Airlines, supports more than 70,000 terminals and can handle some 1,500 messages a second. In 1989, the system earned a net profit of $143 million.

CRS owners charge monthly rentals to travel agents and other terminal users. They also charge a small commission for each of the hundreds of millions of bookings that are made each year on their systems.

Qantas's Fantasia is based on Sabre. By linking up with the American Airlines network, Fantasia is offering travel agents a distribution and data network that is connected to more than 600 airlines and 17,000 hotels.

Initially, Abacus was intended to be a single system combining the strength of airlines in Asia, Australasia and the South Pacific.

However, disagreements over where the system should be sited led Singapore Airlines, Cathay Pacific and Thai Airways International in December 1987 to form a joint venture company to run a CRS headquartered in Singapore, while Qantas decided to develop Fantasia based in Sydney.

Last December, the Thai government intervened and ordered Thai International to withdraw from Abacus. Thailand is vying with Singapore to become the leading civil aviation hub in Southeast Asia.

"The cabinet decision is really to have Abacus headquartered in Bangkok," said a Thai government spokesman.

MICHAEL RICHARDSON is the International Herald Tribune's editor for Asia.

Industry Is Riding a Wave of Expansion

Continued from page 9

pon Airways, for example, was a purely domestic carrier until 1986, when it started a service to Guam. This year it plans to fly to 12 international destinations and has 20 Boeing 747-400s, valued at $3.15 billion, on order.

Every type of aircraft and configuration is in demand, from wide-bodied long-distance models to short-haul commuter aircraft. One of the most recent orders has been American Eagle's $1.25 billion procurement of 100 Swedish Saab 340B twin-engine 34-seat passenger planes.

In addition, American Airlines ordered 75 F-100 regional jets from the Netherlands' Fokker company this year, while British Aerospace's highly successful 19-seat Jetstream short-haul commuter aircraft is to be developed into a 29-seat model. Up to 100 have already been reserved by customers.

There have been suggestions that some airlines are signing up more aircraft than they can justify because they are worried about losing their place in the queue for deliveries. The manufacturers certainly face increased problems from the surge in demand.

Boeing is limiting the number of configuration options, such as internal fittings, available to customers in order to streamline its production schedules. This follows delays in customer deliveries in the first quarter of 1989 for which a number of airlines are claiming compensation.

Even with record order books, McDonnell Douglas, the second largest U.S. aircraft manufacturer, experienced a surprisingly pretax loss in the first quarter of this year. This indicated what some analysts have dubbed corporate anorexia, or an inability to cope with rapid growth after years of cost-cutting and consolidation.

McDonnell Douglas has taken on more than 22,000 new workers in the last three years and Boeing some 66,000 additional personnel in an effort to cope with orders, while in Europe, Airbus plans to increase production of its A320 airliner from 8 to 10 a month starting in 1991. Boeing is planning to increase production of its 737 series from 14 to 17 a month, as well as to raise production on other lines, including the 757, 767 and 747.

Sharply rising demand for new aircraft has helped Airbus claw its way back into the key U.S. market, which accounts for about half the world's aircraft purchases. After entering the U.S. market with sales of 34 A300s to Eastern Air Lines in 1978, Airbus had to wait until 1985 and an order from Pan Am for A300s and A310s for another U.S. success.

In the last four years, Airbus has made an increasingly strong impression in all markets, outselling McDonnell Douglas with firm orders for 367 airliners and options on another 165.

Airbus's success is not without controversy. The United States has claimed that support from British, West German, French and Spanish governments for their aerospace industries' participation in Airbus programs amounts to unfair competition.

Europe's counter-argument asserts that Boeing, the market leader, cross-subsidizes one product to another and uses pricing policies designed to question the economic viability of Airbus projects.

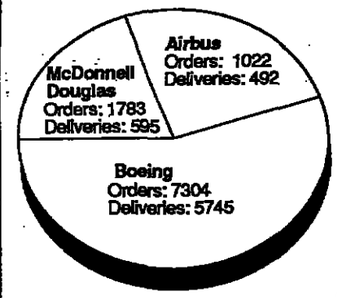
Airbus further contends that with a 17.2 percent share of the international market, it cannot be seriously affecting its U.S. rivals at a time of sharply expanding demand. It is an acrimonious debate that undoubtedly would be far more bitter but for the present buoyancy of aircraft markets.

The big dilemma is whether market projections will justify the huge forward investment commitment by airlines in new aircraft. Frank Schronz, when he took over as chief executive of Boeing in 1986, said: "I do not think we can ignore the fact that things can turn down in our business as fast as they can turn up."

ROBERT BAILEY is a London-based journalist specializing in aviation and technology.

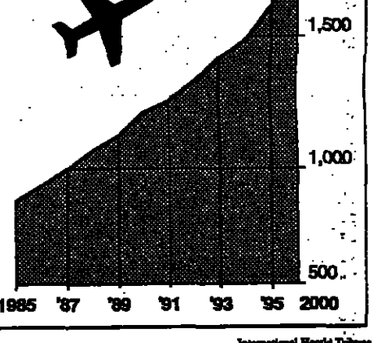
Soaring Orders and World Passenger Forecast

Airplane Orders
With world passenger traffic forecast to double in the 1990s, the thee major commericial airplane manufacturers hold record order books.



Sources: Company Reports

World Passenger Forecast
In thousands



International Herald Tribune

Commuter Lines Vie for Growing Market

Continued from page 9

partner, DLT, which has ordered six, with another six on option. Sky West Airlines of Utah has also agreed to "reserve delivery positions" on 10 aircraft. Prior to the Paris Air Show, Canadair was claiming 62 commitments, but had not announced the identity of its other customers.

The national direct competitor for the RJ was the FJX, proposed by Shorts of Northern Ireland, but Canadair's parent company, Bombardier, is now buying Shorts from the British government and will scrap the FJX project. Because the RJ is essentially only a 20-foot (6.8-meter) stretch of an existing airframe, its development cost is a quarter of the $1 billion needed to develop a completely new aircraft.

Saab of Sweden will provide the real competition to the RJ with a new high-speed (400 mph) 50-seat turboprop, known as the Saab 2000. It has already taken 25 orders and 25 options from the Swiss regional airline Crossair — the biggest operator of the smaller Saab 340 turboprop from which the new airliner is being developed. The Saab 2000 will use very powerful engines to combine near-jet speed and productivity with the operating economy of existing turboprops that cruise, on average, about 100 mph slower.

Saab predicts total worldwide sales of 1,400 new 50-seaters by the turn of the century. Market share will be determined by route structure. Jet operating costs are worst over short ranges — 20 percent higher per seat than those of a turboprop on a typical 200-mile sector, says Saab. The differential is eroded at longer ranges, however, where the speed of the jet also shows to greater advantage.

On a 500-mile sector, the new Saab will drop about 10 minutes behind the jet, but will be almost half an hour ahead of current turboprops. Their manufacturers contend that, since two-thirds of current regional routes are less than half that length, there is little point in spending $14 million on an RJ when a more economical turboprop can be bought for about $10 million.

Saab believes it has the optimum product because, for $11 million, it claims to offer customers sufficient speed to develop the new longer routes, while still delivering traditional turbo-prop economy on the shortest sectors. However, one of its major competitors, Fokker of the Netherlands, doubts whether Saab can continue to sell the new aircraft so cheaply.

> The hub-and-spoke system is more deeply entrenched in the United States than in Europe.

At 50 seats, the Canadair RJ and the Saab 2000 are larger than most turboprops now used to feed hub airports in the United States. Following deregulation, many small carriers began operating with 19-seaters, epitomized by the Fairchild Metro and the British Aerospace Jetstream. The hitherto large market for these aircraft is now being squeezed, however, because they occupy a high ration of slots per passenger carried into increasingly congested airports.

The 30- to 40-seat turboprops, such as the new Jetstream 41, the Embraer Brasilia, the Canadian Boeing deHavilland Dash 8 and the Saab 340, could become the standard aircraft for such hub-and-spoke routes which, typically, are about 200 miles. Traffic on them is predicted by Saab to grow at 10 percent to 15 percent a year to the end of the century, and has already trebled over the last 10 years.

The hub-and-spoke system has become much more deeply entrenched in the United States than in Europe. Major U.S. carriers have concentrated their resources at relatively few hub locations and, therefore, have a vested interest in funneling passengers through them for onward connecting flights, rather than bypassing them with direct services between smaller towns.

So, while the speed of the new regional airliners will permit the establishment of direct interregional hub-bypass routes in Europe, its principal advantage in the United States may be for "hub raiding." The new high-speed aircraft would be flown from an airline's preferred hub to entice interline passengers from towns previously captive to another airline at another hub.

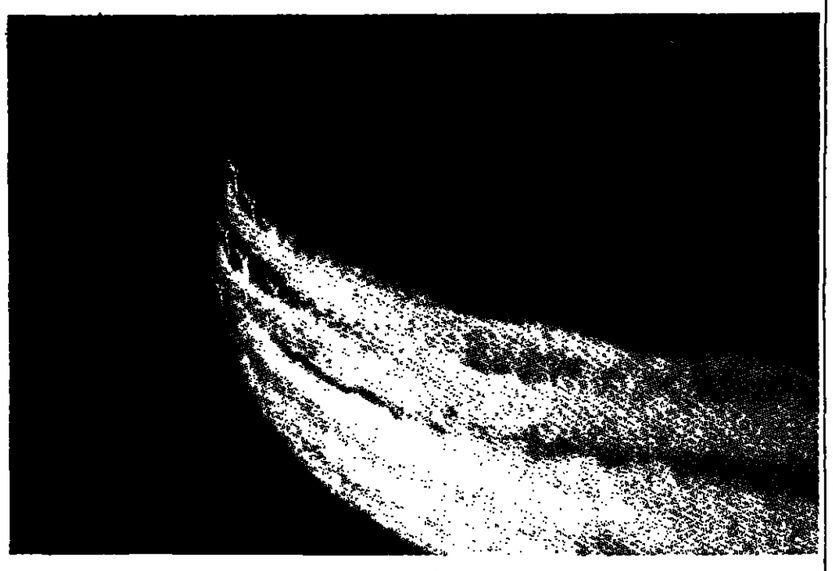
Doubling the operating radius quadruples the catchment area. Such improved productivity is a major sales point of the RJ, as is the desire of major U.S. carriers to project their corporate images through the small feeder airlines which fly in their colors. A "jet" image may be a significant marketing tool.

While there is unlikely to be a jet competitor for the RJ in the near future, other high-speed turboprops could be launched to compete with the Saab 2000. There is no reason in principle why the Embraer Brasilia could not be stretched and uprated.

Boeing deHavilland has set its turboprop sights even higher and is likely to launch a 70-seater, known as the Dash 8-400, aimed at replacing the old 737 and DC-9 jets which carry upward of 100 people. The jets are economical on short routes as long as there is sufficient traffic. However, their retirement will be accelerated by their noise unless Rolls-Royce succeeds in convincing airlines to retrofit them with Tay fan-jets similar to those which power the 100-seat Fokker 100.

PETER MIDDLETON, a London-based journalist, specializes in aviation.

THE WILLPOWER



WE KEEP AHEAD IN THE AIR BY MAKING WAVES ON THE GROUND.

At Thomson-CSF we specialize in the design, development and manufacture of advanced high-performance electronic systems for aerospace applications. Both civil and defense. Both airborne and on the ground.

Arrow Radar

All the systems. Weapons systems. Data processing systems. Communications systems. Navigation systems. Air traffic control systems. Air defense systems. Electronic warfare systems. And simulators.

Mirage 2000

We also specialize in research and development. We don't believe in sitting still. Or in being satisfied.

Our customers' needs keep evolving. The threat keeps evolving. We've got to keep evolving. There's always a better way. Our constant objective is to find it. Before the competition does.

TRS 2230 radar

ELECTRONICS AND DEFENSE SYSTEMS
CEDEX 67 - 92045 PARIS LA DÉFENSE - FRANCE
Tel.: (33-1)49.07.80.00 - Telex: THOM 616 780 F.

Come and see us at Paris Air Show

THOMSON-CSF

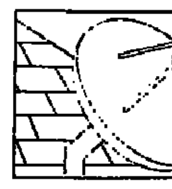
THE BRAINPOWER. THE WILLPOWER. THE WINPOWER.

POLARIS TAERO-13-1

FROM
LAP TOP
COMPUTERS

Herald Tribune. INTERNATIONAL

BUSINESS/FINANCE



TO ROOFTOP
SATELLITE RECEIVERS
In Touch with Tomorrow
TOSHIBA

EUROBONDS

World Bank Global Bond: Much Ado About Nothing

By CARL GEWIRTZ
International Herald Tribune

PARIS — The World Bank announced last week with some ballyhoo that it planned to launch a $1.5 billion global bond issue — a "new type of security" underwritten and distributed simultaneously in the Euromarkets and the U.S. domestic market that "will bring together the fragmented international bond markets." The reaction among market professionals: Much ado about nothing.

World Bank officials touted the planned issue as introducing "efficiencies" to the international bond market. But professionals said that the only potential efficiencies are those of lowering the World Bank's cost to funds by driving down the fees that U.S. securities houses take to arrange new issues and by getting U.S. investors to accept World Bank bonds at a tighter spread to U.S. Treasury bonds than have been demanded until now.

The only efficiency will be lowering the World Bank's cost of funds.

At present, World Bank bonds issued in the United States trade from four to 20 basis points higher than the bank's similarly-dated Eurobonds. In addition, the World Bank has to leave a ⅝-percent fixed commission with U.S. underwriters, compared with a ⅛-percent fee retained by underwriters of Eurobonds.

As a result, the World Bank rarely taps the U.S. market when it wants to borrow dollars. But that leaves the bank badly exposed if anything ever happens to the Eurobond market and it has to rely on the U.S. market for its dollar financing.

Thus, the bank's operation should be seen as an effort to diversify against future stress in the Euromarket rather than as some fundamental development likely to alter the international bond market.

Historically, World Bank Eurobonds have been better received by international investors than Americans because Eurobonds are tax-free, anonymous bearer securities.

Bonds sold in the U.S. market must be registered — a factor that has kept international investors away from that market. And so long as they stay away, the U.S.-issued World Bank bonds will trade at a much higher spread relative to U.S. government bonds than do its Eurobonds.

World Bank officials expect that its global issue will cause this disparity to disappear.

THE GLOBAL bonds will all be registered securities. The bank said that lengthy discussions with institutional investors around the world revealed that it is not the registration that deters foreign investors from buying U.S.-issued World Bank bonds but rather "dissatisfaction with the liquidity of registered securities."

At the same, these investors "repeatedly expressed concern that impediments to the sale of bearer bonds in the United States deprive these securities, in times of dollar weakness, of much of the benefit of noncurrency-sensitive, U.S.-based demand for dollar bonds."

Donald C. Roth, the World Bank treasurer, said in a statement, "Most of the Euromarket investors we talked with said they wanted bonds that traded well in London and could be sold freely in the States when U.S. demand was stronger. They're not getting that now, except in U.S. Treasuries. We and our managers think this new approach will do it."

Both to justify the lower commission for U.S. underwriters and to enhance the value of World Bank bonds to U.S. traders, the World Bank global issue will be treated by dealers as if it were U.S. government agency paper rather than corporate debt, as it has been up to now.

The justification for this change is the jumbo size of the offering. The ranking as government agency debt means that the paper can be used by U.S. traders as collateral for repurchase agreements, enhancing the liquidity of the issue as well as its value since the paper will now be used to generate additional income.

As a result, it's expected that U.S. dealers should be willing to accept the lower spread on World Bank paper that has prevailed in the Eurobond market.

"The size and liquidity of this issue will make it behave in the market much more like the large agency issues than the smaller transactions we've done before," Mr. Roth stated. "It really makes more sense for this type of World Bank issue to trade in the agency sector in the United States, given the volume of our annual borrowing and the U.S. government's role as our largest stockholder."

At best, analysts said, the liquidity of the global issue will result in World Bank paper trading at even tighter spreads to Treasury yields than Eurobonds traditionally have. This would further lower future costs since new issues are priced relative to where outstanding bonds are trading.

At worst, the registered status of its new Eurobonds could raise

See EUROBONDS, Page 15

CCF Sets Plan to Cut Debt

Proposal Seeks 50% Reduction

International Herald Tribune

PARIS — A new formula to halve the debt-service burden of Mexico and other developing countries that limits the financial impact on commercial banks has been put forward by Michel Pébereau, chairman of Crédit Commercial de France.

CCF, the fourth-largest French bank, has been in the forefront of innovations on Third World debt. Earlier this year, the bank reduced its exposure to developing countries by 60 percent by disposing of $1 billion worth of loans to an offshore trust.

Its new proposal, Mr. Pébereau said, is designed to be an additional option in the menu of choices commercial banks now have in negotiating debt reduction with developing countries.

The aim is to both limit the immediate losses for banks to manageable levels and to leverage these losses so that debtor countries maximize the relief on their debt-service payments.

CCF has asked the 15-bank steering committee that is currently negotiating a new financial package with Mexico to add to the options its proposal for a so-called multiyear debt-reduction agreement.

Under this plan, commercial banks would commit themselves to lend to Mexico on an annual basis half the interest payments due them over the next 12 years.

For purposes of negotiation, Mexico is considered to owe the banks $38 billion, the amount at the time of the country's first rescheduling. Since then, banks have lent an additional $16 billion, most of which has gone to service the old debt.

Under the CCF plan, future loans to Mexico would not add to its debt burden because the new loans would be self-liquidating.

This would be achieved through the creation of a special fund, financed by the banks and the international financial institutions, which would buy zero-coupon U.S. Treasury bonds whose redemption value would guarantee repayment of the new loans.

CCF estimated that a special fund of $12.6 billion would be needed, with half the capital put up by the commercial banks and the rest by the International Monetary Fund and the World Bank.

The IMF-World Bank portion would be lent at commercial terms.

See DEBT, Page 15

Sprint: Workout Is Over, Time to Race

By Calvin Sims
New York Times Service

KANSAS CITY, Missouri — A year ago, things could not have been worse for U.S. Sprint Communications Co., third-largest U.S. long-distance carrier.

Its reputation in the long-distance market was in ruins. The company had lost more than $1.8 billion in a struggle to build a fiber-optic telephone network.

Its first two presidents had resigned under pressure. Thousands of customers were receiving bills months late, which included charges for calls never made. Others never saw a bill.

One of its parents, GTE Corp., became so frustrated that it sold most of its stake in Sprint to its partner, United Telecommunications Inc.

But today, the discount carrier seems poised for a turnaround.

"Sprint has overcome the major obstacles in its path," said Charles Nichols, a telecommunications analyst with Bear Stearns & Co., a U.S. securities house. "As it realizes the volume efficiencies of its network and offers higher-margin services, it clearly will make big money."

U.S. Sprint holds a shaky lead in fiber optics, the thin strands of glass that transmit information.

Sprint is the only U.S. long-distance carrier with a nationwide fiber-optic network, which provides high-quality service and cuts operating costs. The billing and service problems have been solved. The company has seen a dramatic increase in large, business-type accounts as demand increases for services such as the toll-free 800 number and international calling.

Sprint scored a coup late last year by winning a government contract that could be worth as much as $10 billion. On the other hand, last week Merrill Lynch & Co. selected a Sprint rival, MCI Communications Corp., to provide its telecommunications voice and data network, a contract estimated to be worth $150 million. Earlier, General Electric Co. picked American Telephone & Telegraph Co. to build its worldwide voice, video and data network, at a cost of $25 billion.

Thus Sprint is not out of the woods yet. The company faces tough competition and a whole new set of hurdles in the battle for a larger share of the $50 billion long-distance market.

For the first quarter, Sprint produced its first profit since its founding in 1986 with the merger of the long-distance operations of United Telecom and GTE.

The large investment that Sprint made in fiber-optic technology three years ago is finally starting to pay off, and through tighter management controls and an emphasis on service the company is showing that it can successfully compete with its larger rivals, AT&T and MCI.

"What we are seeing here with U.S. Sprint is a company that is ready to flex its muscles after a very long workout," said Robert B. Morris 3d, an analyst with Goldman Sachs & Co. "It looks to be a strong warrior, but exactly how well it does on the playing field is a story yet to be told."

'It looks to be a strong warrior, but exactly how well it does on the playing field is a story yet to be told.'
Robert B. Morris 3d, Goldman Sachs & Co.

United Telecom took a big risk in acquiring GTE's 30.1 percent stake at a cost of $600 million, leaving GTE with less than 20 percent. Sprint, which had revenues of $3.4 billion last year, exceeds those of United Telecom's combined operations.

In the first quarter of 1989, Sprint had operating income of $28 million, compared with a $125 million loss in the 1988 first quarter. Revenues in the quarter were $984 million, up from $760 million in the same period a year earlier. Analysts expect the company to have operating earnings of $220 million in 1989 and $752 million by 1991.

That growth would come mainly from new higher-margin services like toll-free 800 numbers, international calling, private lines, pay-for-use 900 numbers and operator services, analysts said. They also expect Sprint to see an increase in large commercial customers.

An increasing number of large businesses are using more than one telephone company for long-distance service, which has created opportunity for carriers like Sprint and MCI.

Sprint is also expected to benefit from the continuing expansion of the long-distance industry that is being fueled by heavy demand for business services and escalating call volumes.

The number of long-distance transmissions in the United States has increased 47 percent in the past five years, according to the Federal Communications Commission, and analysts see the long-distance industry growing at double-digit rates for the next three years.

Sprint's fiber-optic network has provided the company with significant operating leverage and a slight competitive edge.

It uses hair-thin strands of glass to transmit voice and computer information more efficiently than copper wires and without distortion. Fiber-optics technology has become the preferred

See SPRINT, Page 17

EC-Soviet Talks on Agenda

Negotiations Seek Terms on Trade

By Meg Bortin
International Herald Tribune

MOSCOW — European Community foreign ministers plan to approve without debate Tuesday the opening of formal negotiations with the Soviet Union on a 10-year trade and economic cooperation accord, according to EC Commission sources.

Frans Andriessen, the EC commissioner for external relations, said talks with Moscow could begin before Spain completes its presidency of the EC at the end of this month. The ministers will meet in Luxembourg.

The accord, which would cover cooperation in the energy, nuclear and technology fields as well as commercial exchanges, marks a new phase in relations between the EC and the Soviet Union. A mutual recognition agreement was signed last June.

"We want to get it started as soon as possible," Mr. Andriessen said of the accord. "Every presidency wants to have a good record, so the Spanish want to finish this mandate by adding it to their list of achievements."

Mr. Andriessen, who was in Moscow for a conference on prospects for East-West trade in the 1990s, also disclosed that Austria might apply before the summer break for EC membership. In the past the Soviet Union has objected to this on the grounds of Austrian neutrality.

Although the Austrian chancellor, Franz Vranitzky, said last fall that Moscow had signaled that it would not block Austrian membership, Mr. Andriessen said this remained unclear. He indicated, however, that countries seeking to join the 12-member EC would not be admitted before the unified market is established in 1992.

"We are basically open," he said, "although we are still digesting the enlargement of the community from 6 to 12. We have decided to concentrate now on integration of the market in 1992, and that it would not be very positive to answer questions on full membership for the time being."

The EC-Soviet accord is being drafted at a time when both sides seek to boost the current low level of trade, which totaled about $25 billion last year.

Mr. Andriessen said the success of the pact would depend on Moscow's pursuing its shift toward a more market-oriented economy, and he acknowledged that certain aspects of the accord would be meaningless unless serious changes were enacted, notably ruble convertibility and a readjusted tariff system.

The accord envisages reciprocal granting of most-favored-nation status with regard to tariffs and quantitative restrictions. Mr. Andriessen said the EC had granted Moscow most-favored-nation status for some

See TRADE, Page 15

Airbus Marks Delivery of 500th Plane

By Barry James
International Herald Tribune

PARIS — Marking a double anniversary, Airbus Industrie this weekend celebrated the delivery of the consortium's 500th airplane, and the 20th anniversary of the French-German agreement to launch the Airbus jet.

In a ceremony at the Paris Air Show, Jean Pierson, chief executive of the four-nation consortium, handed over an A-320 jet to Northwest Airlines, the first of 140 planes the carrier has on order or option.

Northwest, the fourth-biggest airline in the United States, is Airbus's largest single customer.

The consortium also announced that it had just passed the mark of 500 firm orders for the A-320, a short-to-medium-range jet with computer-guided, fly-by-wire controls.

The first Airbus, the twin-engine, wide-bodied A-300, was delivered in 1974 and it took until 1980 to deliver the first 100.

Since then, the pace of production has been steadily increased to meet the burgeoning demands of civil air transportation. Airbus expects to deliver its 1,000th aircraft in 1992 and its 1,500th in 1995.

The consortium has more than 1,150 firm orders. So far this year, it has received more than 200 firm orders, valued at $20 billion, compared with 167 for all of last year.

The company's challenge has not only been to expand production, but also to diversify its range of aircraft to be able to compete with Boeing Co. and McDonnell Douglas Corp. of the United States at every level.

It is developing two long-haul jets, the twin-engine A-330 and the four-engine A-340, for first delivery in the early 1990s. These aircraft are an important part of the consortium's strategy of capturing 30 percent of the market for airliners over 100 seats.

The estimated total production by all manufacturers between now and 2006 is more than 9,000 aircraft valued at some $500 billion in current prices.

Although in such a sellers' market it would be hard to lose money, Airbus is not making any yet. Mr. Pierson said first returns on $4 billion worth of recent investments are not expected until after 1992 when the consortium starts delivering the first A-330s and A-340s.

In another move to broaden its range, Airbus announced at the airshow that it intended to produce a "stretched" version of the A-320, known as the A321-100, to compete directly with the Boeing 757 from about the middle of the next decade. Production will go ahead on the basis of 40 firm orders, of which 18 already have been received. Mr. Pierson said Airbus believes it can sell at least 400 of the aircraft.

As the consortium expands and diversifies, another part of its strategy is to build as much commonality as possible into its aircraft.

Media Likely To Grow at Slower Rate

The Associated Press

NEW YORK — The communications industry will grow at an average annual rate of 8.8 percent over the next five years, down from a 9.8 percent yearly pace over the past five years, according to a report for release Monday.

Veronis, Suhler & Associates Inc., an investment banking firm that specializes in media buyouts, said the communications business would generate $251 billion in spending by 1993, up from $164 billion in 1988.

Among the major segments of the economy, the projected growth rate of the communications industry will be exceeded only by the 9.5-percent growth rate expected in the health and medical services industry, the report said.

John Suhler, president of Veronis Suhler, said the main reasons for the slower growth in communications in the 1988-1993 period is an anticipated slowdown in the expansion of spending in cable television, home video and business information.

Growth in cable television, for instance, should moderate over the next five years because most households already have access to cable service and basic cable service rate increases are expected to moderate, it said.

The report estimates cable-spending growth at 7.7 percent over the next five years, down from 11.3 percent in the past five.

Home-video growth will also slow as that segment of the industry begins to mature, falling to an 11.2 percent growth pace in the next five years from 52.7 percent a year in the past five, it said.

Spending on business information services will still be the fastest-growing segment of the communications business at 10.5 percent a year, but that is down from a 12.1 percent growth pace over the past five years.

None of the projections is adjusted for inflation.

The report estimates that the overall economy will grow at a 7.5 percent annual rate, unadjusted for inflation, over the next five years, compared with 7.4 percent over the past five years.

Mr. Suhler said that advertising and promotion-spending growth should accelerate in the next five years after slowing in the 1983-1988 period.

Currency Rates

Cross Rates

June 9

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.241	3.501	1.1266	0.332	0.1549 *	—	5.377 *	1.2988	1.5453 *
Brussels(a)	41.4425	65.07	20.9455	6.1745	2.88 *	18.5925	—	24.1475	0.2875
Frankfurt	1.99	3.106	—	0.2949	0.1375 *	0.8878	4.774 *	1.1536	1.3725 *
London (b)	1.554	—	3.1155	10.558	2,256.50	3.502	65.20	2.7075	226.92
Milan	1,448.20	2,262.90	727.02	214.45	—	646.12	34.758	839.85	9.986
New York(c)	—	1.547 b	2.011	6.815	1,457.50	2.265	42.055	1.748	146.45
Paris	6.7455	10.5395	3.392	—	0.4661 *	3.0114	0.1619	3.9113	4.67 *
Tokyo	143.55	226.52	72.72	21.43	0.999	64.56	3.4696	84.80	—
Zurich	1.7408	2.7005	0.8688	0.2548	0.1198 *	0.7715	4.1571 *	—	1.1929 *
1 ECU	1.0436	0.6673	2.0745	7.0367	1,509.88	2.337	43.4517	1.7987	151.139
1 SDR	1.2385	0.7929	2.4647	8.3546	1,790.87	2.7756	51.6807	2.1359	177.792

*Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates. a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	170.00	Fin. markka	4.433	Mex. peso*	2474.00	S. Afr. rand	2.7885
Austral. $	1.3295	Greek drac.	170.45	N. Zealand $	1.75	Soviet ruble*	0.6407
Austr. schil.	14.01	Hong Kong $	7.79	Nig. naira*	5.2995	Span. peseta	128.80
Brazil cruz.	1.208	Indian rupee	16.27	Norw. krone	7.184	Swed. krona	6.89
Canadian $	1.1955	Indo. rupiah	1758.00	Phil. peso	20.78	Taiwan $	25.80
Chinese yuan*	3.7221	Irish £	0.7435	Port. escudo	165.55	Thai baht*	25.76
Danish krone	7.7325	Israeli shek.	1.89	Saudi riyal*	3.748	Turkish lira	2066.00
Egypt. pound	2.5732	Kuwaiti dinar*	0.2942	Sing. $	1.946	UAE dirham*	3.6695
		Malay. ring.*	2.7005	S. Kor. won	664.20	Venez. boliv.	38.50

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5575	1.5510	1.5449	Canadian dollar	1.1984	1.2016	1.2041
Japanese yen	143.30	143.80	143.36	Swiss franc	1.7205	1.7173	1.7152
Deutsche mark	1.9827	1.9787	1.9757				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	June 9	June 2	Ch'ge
DJ Indus.	2,513.42	2,517.83	−0.18 %
DJ Util.	206.44	203.47	+ 1.46 %
DJ Trans.	1,148.12	1,158.31	−0.88 %
S & P 100	302.32	303.28	−0.32 %
S & P 500	326.69	325.52	+ 0.36 %
S & P Ind	373.53	372.99	+ 0.15 %
NYSE Cp	182.37	181.49	+ 0.49 %
Britain			
FTSE 100	2,142.10	2,102.60	+ 1.88 %
FT 30	1,775.70	1,745.50	+ 1.73 %
Japan			
Nikkei 225	33,639.98	33,667.42	−0.08 %
West Germany			
Commerzbk	1,785.40	1,760.80	+ 1.40 %
Hong Kong			
Hang Seng	2,268.38	2,675.38	−5.21 %
World			
MSCIP	502.80	501.40	+ 0.28 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	June 9	June 2
Discount rate	7.00	7.00
Federal funds rate	9⅜	9 9/16
Prime rate	11½	11½
Japan		
Discount	3¼	2½
Call money	4⅞	4 23/32
3-month interbank	5¼	5 5/32
West Germany		
Lombard	6½	6½
Call money	6½	6½
3-month interbank	6.95	7.10
Britain		
Bank base rate	14.00	14.00
Call money	13½	13½
3-month interbank	14⅛	14 1/16

Gold	June 9	June 2	Ch'ge
London p.m. fix, $	368.25	361.50	+ 1.87 %

RARE PHILANTHROPIC OPPORTUNITY

A naming gift opportunity exists for a concerned philanthropist to endow a disease treatment center for a major internationally renowned university medical complex in the U.S. The center, the world's first, is currently under construction and will be available to patients in early 1990. It is the most comprehensive high-technology health care project in progress. The center will shift the possibility and hope of those afflicted with one of the major diseases of manking. It will be an international treatment and training facility and the model for a new era in medical care and for future centers to be built worldwide. This high profile project has significant U.S. and international medical, scientific, and government support. This is an opportunity for an individual or family with vision, commitment and leadership to make a difference. Full particulars to appropriate party or representative.

Box D270, International Herald Tribune,
92521 Neuilly Cedex, France.

RECEIVERS SALE BY PUBLIC AUCTION

Touche Ross Limited, in its capacity as Receiver of Newfoundland Enviroponics Limited (the Company), will auction on Wednesday, June 28th, 1989, the Company's hydroponic greenhouse complex, located near the City of Mount Pearl, Newfoundland. The complex consists of eight (8) greenhouses configured around a central hub which in total provides 2.2 hectares of growing area, situated on 12 hectares of land.

This auction will be pursuant to The Conveyancing Act of the Province of Newfoundland, and will be open to the Public. The facility will be auctioned as a complete package including land, building/structures, equipment, etc., and the auction will take place in the "Plymouth Room", Hotel Newfoundland, Cavendish Square, St. John's, Newfoundland, at 10:00 a.m., Wednesday, June 28th, 1989. The Receiver reserves the right to extend the auction date.

To receive an information package, you will be required to submit a non-refundable, certified cheque or bank draft for $1,000.00, made payable to "Touche Ross Limited - In Trust."

For further information, please contact: Mr. Noel R. Andrews, or Mr. Greg Pope at (709) 576-8480 or FAX (709) 576-8460.

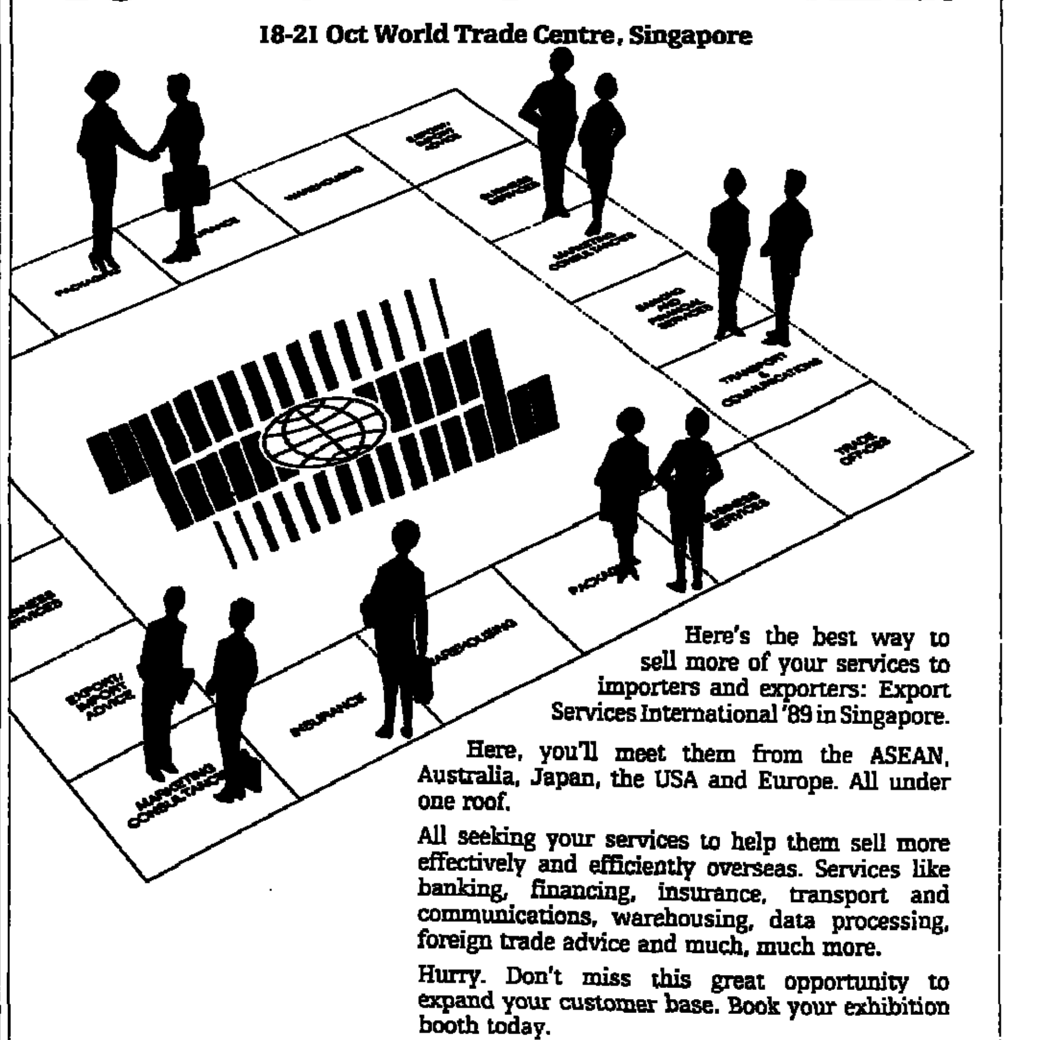
Touche Ross Limited, Receiver
Newfoundland Enviroponics Limited
10 Factory Lane
St. John's, Newfoundland
Canada
AIC 6H5.

Touche Ross

Export Services International '89

NEWEST OPPORTUNITY TO MARKET YOUR SERVICES TO EXPORTERS WORLDWIDE!

18-21 Oct World Trade Centre, Singapore



Here's the best way to sell more of your services to importers and exporters: Export Services International '89 in Singapore.

Here, you'll meet them from the ASEAN, Australia, Japan, the USA and Europe. All under one roof.

All seeking your services to help them sell more effectively and efficiently overseas. Services like banking, financing, insurance, transport and communications, warehousing, data processing, foreign trade advice and much, much more.

Hurry. Don't miss this great opportunity to expand your customer base. Book your exhibition booth today.

For details, call (65) 278-8666; Telex: RS 35319 CEMS; Fax: (65) 278-4077 or write to: CEMS Pte Ltd. 1 Maritime Square, #09-43 World Trade Centre, Singapore 0409.

Organised by: Singapore Trade Development Board
Managed by CEMS Conference & Exhibition Management Services Pte Ltd
The Official Airline: SINGAPORE AIRLINES
Official Publication: Herald Tribune

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 323 11 30
Prices may vary according to market conditions and other factors.

June 8

Dollar Straights

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Australasia					
Aust Com Bk	10	93	103	9.11	+68
Australia	11	95	109¼	8.94	+25
Australia	11½	95	111⅝	8.99	+29
Austria Contrl	12¼	93	91⅝	15.22	n.a.
Council Europe	13	93	94⅝	14.92	n.a.
Eurofima	13	93	96	14.42	n.a.
N S Wales Trsy	11¾	90	101⅞	9.92	+218
New Zealand	7¼	89	99½	8.68	+149
New Zealand	7¾	90	98⅝	9.52	+175
New Zealand	7½	91	96½	9.27	+119
New Zealand	7⅝	91	96½	9.26	+113
New Zealand	8	93	96	9.24	+88
New Zealand	8¼	93	96⅞	9.24	+92
New Zealand	8½	93	97	9.48	+117
New Zealand	10¼	95	102¼	9.73	+156
New Zealand	8	97	93½	9.19	+40
Qantas	10⅝	95	106⅛	9.01	+33
Qantas	8⅝	96	97½	9.11	+38
Queensland	11⅞	89	100¾	9.18	+180
Queensland	8	91	97¾	9.28	+126
Queensland	7¾	92	95⅛	9.29	+108
Queensland	10¼	95	105⅝	9.08	+38
St Bk Sth Aust	10¼	92	102¼	9.23	+103
St Bk Sth Aust	9¼	93	99⅞	9.26	+95
Sth Aust Gov	8¾	93	98½	9.22	+90
Victoria Sec 5	10	92	102	9.26	+98
Victoria P	11⅛	92	105⅝	9.28	+107
Victoria Sb	8½	93	97⅞	9.24	+88
Victoria Publ	8⅝	96	95¾	9.18	+41
Canada					
B C Hydro	15¼	92	115	9.40	+116
B C Hydro	11¾	93	108½	9.25	+83
Bank of Nova S	8⅝	90	99	7.14	-68
Canada	11½	90	101¾	8.74	+117
Canada	10	95	106⅛	8.70	-2
Canada	9	96	102.050	8.57	-16
Canadair	12½	89	101¼	8.58	+127
Canadian Pacif	12½	90	103½	9.26	+163
Canadian Pacif	10¾	93	102	10.12	+203
Canadian Pacif	7½	96	90½	9.43	+69
E D C	12	89	100¾	9.05	+177
E D C	10	90	99⅝	10.37	+260
E D C	8¼	91	98¾	9.02	+108
E D C	8½	92	98	9.32	+111
Farm Credit	7½	93	93½	9.34	+98
Farm Credit	7¾	96	94½	8.91	+17
Manitoba	11⅝	89	100½	9.87	+256
Manitoba	10½	90	100	10.50	+273
Manitoba	8¾	91	99	9.37	+144
Manitoba	12½	94	113⅝	9.12	+52
Manitoba	7½	96	92.050	9.09	+35
Ontario Hydro	11¼	89	101	8.72	+133
Ontario Hydro	10¼	90	101	8.91	+116
Ontario Hydro	11¾	90	103	8.88	+105
Ontario Hydro	13½	91	106¼	9.27	+133
Ontario Hydro	12¾	92	109½	9.26	+99
Ontario Hydro	15	92	114½	9.42	+117
Ontario Hydro	11⅝	94	109⅝	8.98	+50
Petro-Canada	7¼	96	91¼	9.00	+26
Prov Albert	7⅝	91	96½	9.00	+85
R B C	8⅝	93	96½	9.47	+112
Saskatchew	11⅝	89	101	8.61	+138
Saskatchew	10¾	90	101	8.98	+143
Saskatchew	7½	91	96½	9.39	+134
Saskatchew	8½	91	98¾	9.27	+133
Saskatchew	10¾	92	103¼	9.30	+110
Saskatchew	15	92	114¾	9.37	+112
France					
B F C E	7¼	91	96¼	9.07	+97
B F C E	7	92	95⅛	9.03	+82
B F C E	7¼	93	94¼	9.05	+71
B F C E	7⅝	96	94⅛	9.00	+24
B F C E	7¾	97	93⅝	8.88	+9
B N P	8¾	93	97¾	9.46	+114
C A E C L	9⅝	95	100¼	9.30	+40
C C C E	7⅛	91	96	9.05	+94
C E P M E	7⅝	91	96⅞	9.00	+94
C E P M E	10⅛	91	100½	9.82	+177
C E P M E	7¼	92	95¾	9.01	+88
C N C A	10	90	101	8.89	+104
C N C A	11¼	90	101	8.91	+147
C N C A	7¼	91	95¾	9.18	+103
C N C A	13¾	91	105	10.38	+228
C N C A	11½	92	105⅝	9.10	+89
C N C A	7½	94	94	9.11	+63
C N C A	7½	96	91⅞	9.14	+40
C N E	11⅝	95	111½	9.04	+38
C N T	7	91	95⅝	9.01	+87
C N T	13¾	91	107	9.75	+173
C N T	8½	93	97⅜	9.22	+91
Cr Foncier Ew	10⅝	91	103⅛	9.02	+102
Cr Foncier Ew	12½	92	109	9.04	+80
Cr Foncier	7½	94	94⅛	8.97	+51
Cr Lyon F/P	7¾	93	94⅞	9.27	+88
Cr Lyonnais	9	91	99½	9.28	+134
Cr Lyonn	8¼	92	98¼	9.45	+122
Cred National	8¼	93	97⅝	8.99	+67
Credit Nat	7¼	91	96⅛	9.03	+86
Credit Natl	7⅝	92	96	9.01	+80
E D F	7¾	93	95¼	8.91	+46
E D F	11⅛	93	107⅜	8.78	+45
E D F	10	95	102½	9.43	+107
S N C F	11½	93	107¾	8.95	+63
S N C F	7¼	94	93½	9.00	+53
S N C F	7¾	96	93⅞	8.97	+23
Japan					
All Nippon Air	9⅝	97	99¼	9.51	+70
Allied-Signal	8	06	85¾	9.75	+64
Bk of Tokyo	13⅝	89	101	8.96	+176
Bk of Tokyo	11	90	101	9.30	+171
Bk of Tokyo	11⅞	90	103¼	9.35	+147
Bk of Tokyo	8	93	95⅛	9.31	+67
Bk of Tokyo	8⅝	96	95⅞	9.21	+47
Canon	7⅛	91	95¼	9.81	+166
Dai-Ichi	10¾	90	101	9.18	+139
Dai-Ichi	12¼	90	103¼	9.22	+138
Dai-Ichi	7¾	91	96	9.59	+145
Dai-Ichi	8⅛	91	97⅞	9.48	+151
Daiwa 5	7¾	92	94¼	9.62	+143
Daiwa 2	7⅞	93	93¾	9.61	+115
Dkb Asia	8⅛	91	97½	9.46	+141
Dkb Asia 2	8	93	95½	9.29	+87
Fuji B & T	7⅝	91	95¾	9.46	+154
Fuji Intl	10⅞	90	101¼	9.20	+146
Ibm Japan	7¼	91	95¼	9.43	+128
Ind Bk Jap	7⅝	92	95¾	9.28	+111
Ind Bk Jap	8	93	95¾	9.28	+90
Ind Bk Jap	7⅞	97	93½	9.05	+25
Jap Airl	8⅛	96	94	9.35	+61
Jap Airl	8⅛	96	93¾	9.30	+52
Jap Dev Bk	8	94	96½	8.93	+40
Jap Highway	7⅝	96	91¾	9.28	+54
Kobe Steel	7⅝	92	95½	9.58	+139
L T C B	11⅞	89	100	n.a.	
L T C B	11	90	101	9.21	+166
L T C B	8	91	97¼	9.39	+133
L T C B	7¾	93	95.050	9.29	+94
L T C B	8	93	95¾	9.36	+102
L T C B	8⅝	93	97⅝	9.30	+99
L T C B	8	96	93¾	9.22	+45
L T C B	8	97	93½	9.21	+43
Metro of Tokyo	9½	93	101⅛	8.92	+63
Metro Tokyo	8¼	96	96⅛	8.97	+20
Mitsub Ew	12⅞	89	101	9.12	+182
Mitsub Finance	11¾	90	102	9.11	+133
Mitsub Fin 2	7⅞	93	94¾	9.35	+90
Mitsubishi	7¼	92	95⅛	9.43	+126
Mitsui Tst	12⅞	89	100⅞	9.91	+263
Mitsui Tst 2	7¼	94	93¼	9.59	+110
N C B	13⅞	89	100¼	9.08	+200

Mutual Funds

Figures as of close of trading Friday
June 9

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers Inc. are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

Fund	Bid	Ask
Calvert Group:		
Ariel	26.65	27.90
Invest	7.46	7.83
MunBd	9.29	9.75
Noutis	11.82	12.41
SpEqt	21.42	22.49
TotRt p	8.98	9.43
VS Spl	12.78	13.42
Eaton V Marathn:		
CalMun t	10.11	10.11
HiInc t	9.26	9.26
HiMun t	9.74	9.74
EclipEq	11.49	NL
EmpBld	17.23	NL
Enterprise Group:		
GvScr	11.87	11.87
GrInc t	15.30	15.30
Equity	7.49	7.88
FedTx	11.49	11.97
FLTF	10.95	11.41
Gold	11.40	11.88
Grwth	22.02	22.94
HY TF	10.79	11.24
Incom	2.11	2.20
InsTF	11.47	11.95
MaTF	10.93	11.39
MI Tax	11.26	11.73
MNIns	11.62	12.10
NJTF	10.91	11.36
NY Tax	11.09	11.55
OhioI	11.38	11.85
ORTF	10.81	11.26
Intl t	6.82	6.82
KPM t	15.91	15.91
TxETr t	11.02	11.02
TaxF t	8.37	8.37
Keystone America:		
EqIn t	10.83	11.05
GlbInc t	9.54	9.73
GovSc t	10.03	10.23
GtStk t	13.19	13.46
HiYld t	9.09	9.28
InvGd t	8.85	9.03
Omeg t	16.39	16.72
TxFr t	10.33	10.54
Kidder Group:		
Gvt t	14.63	14.63
Stock	8.91	9.61
StrAll p	11.46	12.64
Tax Ex	10.16	10.64
TotRe	8.15	8.79
NatTele	18.07	18.97
Nationwide Fds:		
NatBd	9.50	10.27
NatFd	14.09	15.23
NatGt	9.35	10.11
TxFr r	9.56	9.56
Neuberger Berm:		
Genes	6.18	NL
Guard	42.67	NL
LtMat	9.93	NL
Manht	11.01	NL
Georg	13.66	14.93
Globl p	14.81	15.55
GraInc	12.25	13.39
Health	20.37	22.26
HiInc p	10.27	11.01
HiYld	14.31	15.35
HYdII p	11.12	11.92
Incom	6.95	7.45
InfoSc	21.24	23.21
Int Eq	27.51	30.07
Invest	8.28	9.05
MaTx t	12.27	12.27
MITx t	12.65	12.65
MnTx t	12.46	12.46
NYTx	17.49	18.36
Gwth	15.81	15.81
Muni	8.00	8.00
StStreet Rsrch:		
Exc	160.49	160.49
Grwth	92.79	92.79
Inv r	85.60	85.97
Steadman Funds:		
Am Ind	2.29	NL
Assoc	.73	NL
Invest	1.44	NL
Ocean	3.74	NL
Stein Roe Fds:		
Cap Op	25.89	NL
Discv	11.02	NL
GvtPlu	9.75	NL

Issuer	Cpn	Mat	Price	Yld Mat	Cur Yld
I A D B Aug	6¼	96	95.55	7.06	6.54
I A D B	6	97	92.40	7.26	6.48
I A D B	6	01	90.25	7.25	6.65
Ifc	6⅝	92	97.75	n.a.	6.78
World Bk	7⅞	89	99.85	8.00	7.89
World Bk	5¾	90	98.75	7.62	5.82
World Bk	7½	90	100.75	6.64	7.44
World Bk	7⅞	90	100.25	7.09	7.86
World Bk Aug	8	90	100.65	7.35	7.95
World Bk	10	90	101.75	7.78	9.83
World Bk Pp	6	91	97.80	7.36	6.13
World Bk Pp	7⅛	91	100.00	7.12	7.12
World Bk	7⅜	91	100.25	7.23	7.36
World Bk	7¾	91	101.35	7.01	7.65
World Bk	9¼	91	103.35	6.83	8.95

Yen Straights

Issuer	Cpn	Mat	Price	Yld Mat	Cur Yld
S N C F	4⅞	93	98¼	5.38	4.96
Sallie Mae	6⅝	92	103¼	5.24	6.42
Sweden	5⅜	91	100	5.36	5.37
Sweden	5½	91	100⅛	5.43	5.49
Sweden	4⅝	92	97⅜	5.33	4.49
Sweden	5¼	94	100¼	5.18	5.24
Sweden	5⅝	95	102	5.24	5.51
Sweden	6	96	104⅛	5.26	5.76
Tokyo Elect P	4⅞	92	99⅝	5.12	4.91
World Bk Oct	5½	92	100⅞	5.19	5.45
World Bk	4⅝	94	98½	5.24	4.95
World Bk	6⅝	94	107⅜	5.08	6.18
World Bk	7	94	107½	5.21	6.51
World Bk	5¾	96	104	5.07	5.53
World Bk	6½	96	106¾	5.27	6.09

Wall Street Review

NYSE Sales

	Sales Vol.
Total for week	950,250,800
Week ago	766,610,800
Year ago	1,022,070,000
Two years ago	811,920,800
Jan 1 to date	18,642,134,160
1988 to date	18,079,460,000
1987 to date	20,218,080,000

AMEX Sales

	Sales Vol.
Total for week	71,280,000
Week ago	53,030,000
Year ago	65,180,000
Jan 1 to date	1,284,270,000
1988 to date	1,172,800,000

NYSE Diaries

	This Wk		Last Wk	
Advances	1,174	1,252	1,446	1,389
Declines	770	614	490	545
Unchanged	249	293	256	235
Total issues	2,193	2,159	2,192	2,180
New yrly hghs	538	432	79	165
New yearly lws	53	46	19	41

AMEX Diaries

	This Wk	Last Wk
Advanced	471	458
Declined	348	365
Unchanged	210	199
Total issues	1029	1022
New highs	144	102
New lows	22	38

INTERNATIONAL STOCK MARKETS
IN THE IHT EVERY TUESDAY.
A COLUMN ON NON-U.S. STOCK MARKETS. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS — WORLDWIDE

New International Bond Issues

Compiled by G. Jennifer Shapiro

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
First Interstate Bancorp	$100	1994	0.20	100	—	Over the 3 month Libor. Semiannualy. Noncallable. Fees 0.30%. Denominations $100,000. (Credit Suisse First Boston.)
Top Finance (Bermuda)	$15	1999	0.10	100	—	Over the 3 month Libor. Redeemable on any interest payment date in 1990. Noncallable. Fees 0.08%. Denominations $100,000. (Kidder Peabody Int'L)
TMC Pimbs PLC	£250	2030	0.18	100	—	Over the 3 month Libor, starting 1999 spread rises to 0.50 basis points. Noncallable. Fees 0.25%. Denominations £10,000. (Salomon Brothers Int'L)
FIXED-COUPON						
B.A.T International Finance PLC	$400	1994	9⅝	101⅝	100.60	Noncallable. Fees 1⅞%. (Credit Suisse First Boston.)
Ford Motor Credit Co.	$200	1992	9¼	100.40	—	Noncallable. Fees 1⅜%. (Goldman Sachs Int'L)
London & Scottish Marine Oil PLC	$125	1994	10	103¼	—	Noncallable. Fees 1⅞%. (Credit Suisse First Boston.)
Top Finance (Bermuda)	$60	1999	9.65	101.65	—	Callable at par in 1994. Fees 2%. Denominations $100,000. (Kidder Peabody Int'L)
Victorian Public Authorities	$150	1999	zero	42.22	—	Yield 9.22%. Noncallable. Fees 1⅛%. (Salomon Brothers Int'L)
World Bank	$300	2004	9	102⅛	100.95	Noncallable. Fees 2⅛%. (Deutsche Bank Capital Markets.)
Deutsche Bank Finance BV	DM 1,000	1994	7	101	99.70	Noncallable. Fees undisclosed. (Deutsche Bank AG.)
Fokker NV	DM 150	1996	7½	102	99.50	Noncallable. Fees 2¼%. (Commerzbank.)
IKB International	DM 75	1993	9⅝	101⅞	—	Noncallable. Redeemable at maturity in either Canadian Dollars or Deutsche Marks at a fixed rate of 1.53 Marks per Canadian dollar. Fees 1½%. (Bankers Trust GMBH.)
London & Edinburgh Trust European Finance	DM 100	1996	7½	99¾	98.50	Noncallable. Fees 2¼% (Berliner Handels Und Frankfurter Bank.)
Electricité de France	£100	2009	10½	98.65	—	Noncallable. 25% of each bonds are redeemable in the 17th, 18th and 19th year. Fees 2⅛%. Denominations £100,000. (UBS-Phillips & Drew.)
BSN	FF 1,000	1997	9	101¼	99.35	Noncallable. Fees 2%. Denominations 10,000 French Francs. (Crédit Lyonnais.)
Francaise des Pneumatiques Michelin	FF 1,200	1999	9⅛	101½	99.60	Noncallable. Fees 2%. Denominations 10,000 French Francs. (Crédit Lyonnais.)
Amsterdam	DF 150	1999	7⅜	101¾	—	Noncallable. Fees 2%. Denominations 10,000 Guilders. (Algemene Bank Nederland.)
Wereldhave	DF 100	1999	7¾	101⅝	99.50	Noncallable. Fees 2%. Denominations 10,000 Guilders. (Algemene Bank Nederland.)
Swedish Export Credit	ITL 100,000	1992	12⅜	101⅜	100.02	Noncallable. Fees 1⅞%. Denominations 2 million Lires. (Italian Int'l Bank.)
Arbed	ECU 65	1999	5½	100	—	Callable at 105 declining to par and declining to par but subject to 130% rule until 1992. Convertible into company's shares at 6,500 Luxembourg franc per share a 17% premium. Fees 2½%. (Morgan Stanley Int'L)
ENI International Banking	Aus$ 40	1990	18⅝	101¾	100.75	Noncallable. Fees 1%. (Bayerische Vereinsbank.)
Johnson & Johnson	Aus$ 50	1990	18⅜	101.95	100.95	Noncallable. Fees 1%. (Bankers Trust Int'L)
Canadian Imperial Bank of Commerce	NZ$ 40	1992	14	102	100.50	Noncallable. Fees 1½%. (Fay Richwhite U.K.)
Banca Commerciale Italiana (London)	Y 17,390	1994	11.40	113.40	—	Until 1990, then 8.05% thereafter. Callable and puttable in 1993. Fees 1⅝%. Denominations 100,000 million yen. (Daiwa Europe.)
Postipankki	Y 4,000	1993	9.10	101⅝	—	Redeemable in 1991. Fees 1⅝%. Denominations 10 million yen. (New Japan Securities Europe.)
EQUITY-LINKED						
Amada Sonoike Co.	$100	1993	4⅛	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,241 yen per share. Fees 2¼%. (Nomura Int'L)
C. Itoh Co. (European Tranche.)	$600	1994	4⅝	100	99.00	Noncallable. Each $25,000 note with five warrants exercisable into company's shares at 1,025 yen per share and at 141.70 yen per dollar. Fees 2¼%. Denominations $25,000. (Nikko Securities Europe.)
Dai-Ichi Kangyo Bank	$300	2004	3⅝	100	97.00	Conversion price was fixed at 3,486 yen per share and at a fixed rate of 143.30 yen per dollar. Callable at 104 in 1992 declining to par by ½ point per year. Semiannual. Fees 2½%. (DKB Int'L)
Kobe Steel (European Tranche.)	$300	1993	4⅝	100	99.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 854 yen per share and at 143.30 yen per dollar. Fees 2¼%. (Yamaichi Europe Int'L)
London & Scottish Marine Oil PLC	$125	1996	9½	100	—	Noncallable. Warrants exercisable into 9½% bond maturing in 1996. Fees 1⅞%. (Credit Suisse First Boston.)
Nagoya Railroad Co.	$200	1993	open	100	99.85	Coupon indicated at 4½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 14. (Yamaichi Europe Int'L)
Nichirei Co.	$150	1993	4⅛	100	100.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,210 yen per share and at 141.70 yen per dollar. Fees 2¼%. (Nomura Int'L)
Nikon Co.	$300	1993	4	100	100.00	Noncallable. Each $10,000 note with one warrant exercisable into company's shares at 1,528 yen per share and at 143.30 yen per dollar. Fees 2¼%. (Nikko Securities Europe.)
Nippon Oil & Fats Co.	$150	1993	open	100	100.00	Coupon indicated at 4½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 13. (Yamaichi Europe Int'L)
Nippon Sheet Glass Co.	$250	1993	open	100	100.00	Coupon indicated at 4½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 13. (Daiwa Europe.)
Omron Tateisi Electronics	$250	1993	open	100	100.00	Coupon indicated at 4½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 14. (Nomura Int'L)
Silicon Graphics	$50	2004	8	100⅛	—	Conversion price was set at 23.18 dollars per share. Callable at par plus coupon from 1989 declining in equal amounts to par starting June 1999. Noncallable until 1992 subject to the 130% rule. Fees 2½%. (Morgan Stanley Int'L)
Tokyu Construction Co.	$150	1993	4⅛	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,210 yen per share. Fees 2¼%. (Yamaichi Int'L Europe.)
Toyo Construction Co.	$100	1993	4⅛	100	102.62	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,261 yen per share and at 143.90 yen per dollar. Fees 2¼%. (Nomura Int'L)
UBE Industries	$400	1993	4	100	99.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 908 yen per share and at 143.30 yen per dollar. Fees 2¼%. (Yamaichi Europe Int'L)
Yokohama Rubber Co.	$120	1993	4⅛	100	100.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,302 yen per share and at 143.30 yen per dollar. Fees 2¼%. (Yamaichi Europe Int'L)
Berliner Elektro Finance	DM 40	1999	7	130	—	Noncallable. Each 5,000 Mark note with two warrants exercisable into 5 ordinary shares at 743 marks per share and into 5 preference shares at 687 marks per share. Fees 2½%. (Deutsche Bank AG.)
Dai-Ichi Kangyo Bank	DM 200	1996	2⅝	100	96.375	Conversion price was set at 3,486 yen per share and at a fixed exchange rate of 72.71 yen per Deutsche Mark. Callable at 103 in 1990 fall semiannualy by ½ point. Puttable and callable at 109 in 1994. Semiannual. Fees 2¼%. (Dresdner Bank.)
United Newspapers Capital	£105	2004	8	100	—	Issue is in the form of 105,000 preference shares at £1,000 each. Callable at par from 1992, but subject to the 130% rule. Exchangeable into 'B' shares of Reuters Holdings at 876.50 pence per share, a 12% premium. Fees 2%. (Credit Suisse First Boston.)

Bond Market Rise Gives Boost to Dollar

By Carl Gewirtz

International Herald Tribune

PARIS — The factors which drove the dollar and the U.S. bond market up sharply last week could propel the U.S. currency to its highest levels of the year this week, possibly testing the range of 2.07-to-2.10 Deutsche marks, foreign exchange dealers said.

But there is some confusion about whether the currency is pushing up the U.S. bond market or the bond market is attracting investors into dollars.

The dollar closed in New York last week at 2.0110 DM, well over the previous week's close of 1.9445 DM.

The argument for the currency's rise last week was the U.S. government report on Friday that the Producer Price Index rose 0.9 percent in May, nearly double the increase financial analysts had been projecting.

Such a big increase at the wholesale level implied future increases in consumer prices and a restraint in the U.S. Federal Reserve Board's willingness to allow interest rates to decline.

Continuing high U.S. rates, turmoil in China roiling the Hong Kong market and political uncertainties still weighing on Japanese and West German investors were said to have attracted investors into the dollar.

For the bond market, stable to possibly higher interest rates are bad news and prices initially tumbled after Friday's inflation report. But on closer inspection, bond investors decided the inflation numbers were not so worrisome.

Analysts noted that the core rate of increase, excluding energy and food prices, was only 0.5 percent, making the average increase for the April-May period only 0.3 percent.

In addition, with energy and commodity prices now declining, analysts said the outlook was for declines in the overall price index in the months ahead rather than continued increases.

This assessment sent the New York bond market into a sharp reversal, completely erasing the early 1½ point loss to close with a big gain of 1⅛ points. As the advance gathered steam, so did the dollar. Dealers said foreign investors jumping into the bond market were bidding up the currency.

One element driving the bond market, said John Lipsky, an analyst at Salomon Brothers in New York, is the approaching end of the second quarter and fund managers' panic at being underinvested in long-term bonds, which have outperformed most other sectors.

Mr. Lipsky, cautioning that evidence is only circumstantial, said he suspected "a buy-in by money managers concerned about underperforming" the market indicators, the yardsticks against which managers measure their success or failure.

The bond-market advance appeared to feed on itself: The more prices rose, the more investors jumped in to participate in the rally — including foreign investors.

Still uncertain is whether foreigners were buying dollars to buy bonds, or whether they were investing in bonds because they had purchased dollars. Regardless of which was driving what, it was the best of both possible worlds for the currency and bond markets.

"The dollar is firmly supported," said Chris Tinker, a currency analyst for UBS/Phillips & Drew in London. "Interest rates are not coming down sharply and the market is quite capable of testing the upside, possibly 2.10 DM."

He said investors were convinced that any easing of U.S. interest rates would be modest and not likely to undermine confidence in the currency.

By maintaining a strong dollar, Mr. Tinker said, the Fed will have ample room to maneuver once the U.S. economy shows definite signs of slowing. Then the Fed will be able to cut interest rates, an option that might not be possible if the dollar were trading at 1.70 DM.

Indicative of the foreign flows into the dollar, Mr. Lipsky noted, was news that Japanese investors in May purchased a net $3 billion of foreign equities — a monthly record, topping the $2.7 billion of net purchases in March 1987.

The Japanese last month also purchased a net $8 billion of foreign bonds. This compares with net purchases of $11 billion the previous month, but that was unusually high as it was the first month of the new fiscal year.

Mr. Lipsky said "the significant shift to equities is bullish for the dollar" since most of the stock buying is believed to be in U.S. shares.

Continental experts also reported continuing strong demand for the dollar. Hermann Strohmeyer at Commerzbank in Frankfurt said, "Investors are still buying dollars; they think it's a good thing and still headed higher."

In Paris, Alain Kokocinski of Banque Paribas said clients who had held back from buying, waiting to see how low the dollar might slip when it appeared to be heading down, were now rushing to catch the opportunity they missed when the dollar was at 1.95 DM.

"There is still strong commercial demand for the dollar," he said.

Bank of China Will Honor All Obligations

Reuters

BEIJING — The Bank of China, the country's main foreign-currency bank, intends to protect its international reputation and meet all its foreign obligations, the bank's chairman has told Chinese state television.

"Whatever the circumstances, the Bank of China will preserve its domestic and international reputation," Wang Deyan, the bank's chairman, said on Saturday.

The bank has been subject huge withdrawals by depositors in Hong Kong and Singapore after the killings of Chinese students by the military a week ago.

Mr. Wang said the Bank of China had assets of nearly 560 billion yuan ($166 billion) — three quarters of that in foreign currencies — and that was more than enough to meet all obligations. He also denied rumors that the bank would block foreign-currency withdrawals.

Rumors have spread that as of July, foreign-currency depositors will only be able to withdraw renminbi, the local currency.

TRADE: *EC Approval Is Seen for Soviet Negotiations*

(Continued from first finance page)

time, but he conceded that the Soviet Union could not respond in kind "until they have a tariff that is economically effective."

Soviet speakers at the economic conference expressed enthusiasm about the accord, although they, too, acknowledged that further economic change was required.

"What the Soviet Union and the European Community need," said Ivan D. Ivanov, a vice chairman of the State Foreign Economic Commission, "is a very broad agreement that would make it possible to open doors to businessmen from East and West."

Mr. Ivanov said Moscow was prepared to begin negotiating the accord immediately. New customs tariffs "built according to harmonization principles that have been internationally recognized" were being drafted, he said, in preparation for Soviet entry into the General Agreement on Tariffs and Trade.

The Soviet official, who has deputy ministerial status, stressed that Moscow was conscious of the need to "create a predictable environment, both legally and commercially," to boost cooperation with the West.

Mr. Andriessen noted that, with a flood of bad economic news from Moscow last week, it was too soon to be optimistic on the long-term significance of the accord.

"It depends more on the Soviet Union than on the EC or anybody else," he said. "Old structures are disappearing, but the new ones are not yet there.

DEBT: *Crédit Commerical Offers New Plan for Mexico*

(Continued from first finance page)

The commercial banks, by contrast, would simply put the money into the fund and would not expect repayment unless the financial condition of Mexcio improved significantly.

The $6.3 billion contribution by the commercial banks "is like an insurance premium," Mr. Pébereau said, paid in to assure repayment of the new loans. The cost to the banks is the equivalent of writing off 16.5 percent of the outstanding debt.

Having reduced by half the annual interest Mexico needs to pay the banks for 12 years and by maintaining the level of debt unchanged, Mexico would be able to reduce its foreign debt burden in real terms by 35 percent over the 12-year period, assuming an annual rate of growth of 3½ percent, Mr. Pébereau said.

"This real debt relief could be accelerated over the period with additional debt buybacks," he added.

One possible hitch to the plan is a stated unwillingness by the international lending agencies to use their resources to guarantee "new money" lent to indebted countries. But Mr. Pébereau said the principles of his scheme were different.

"First, it prevents the debt amount from increasing. Secondly, banks themselves contribute to the funding of the special fund," he said.

Mr. Pébereau estimated that the cost to the banks to achieve the same level of relief for Mexico under existing debt-relief options would cost $11 billion to $15 billion, well above the $6.3 billion cost in his proposal.

Under the debt-relief formula currently on the menu of options, banks would exchange $1 of existing debt for 50 cents to 80 cents of new 30-year debt. Mexico is seeking a 50 percent reduction while the banks are offering to accept a discount of 20 percent.

The new debt is discounted because IMF-World Bank funds would be used to purchase zero-coupon U.S. Treasury bonds whose value in 30 year's time would be used to repay the principal amount. But guarantees on the annual interest of the new debt would be for a two-year period, renewable if certain conditions are met by Mexico.

With the IMF and World Bank still lending more than $6 billion to finance the guarantees, the commercial banks would have to accept a discount on the exchange of debt for bonds of around 40 percent — or 60 cents of new debt for each $1 of existing debt — to achieve an annual $1.5 billion saving on servicing costs.

Under Mr. Pébereau's plan, the banks would actually be lending over the 12-year period an annual amount closer to $2 billion. But some $500 million of that would go to paying market interest rates on the IMF-World Bank loans helping to finance the special fund.

—CARL GEWIRTZ

EUROBONDS: *Global Offering*

(Continued from first finance page)

the World Bank's cost to borrow. At present, Mr. Roth said in an interview, "90 percent of World Bank bonds are held by institutions." But the Euromarket is often driven by retail investors and the question is, if they reject buying registered bonds, whether the bank might not find itself obliged to pay more than other borrowers to tap the market.

However, given the higher fees Eurobond underwriters will be retaining, they presumably will have added incentive to market the registered paper.

One dealer, asked why U.S. underwriters would be willing to accept a cut in retained commissions, replied that pocketing a ⅜ percent commission was better than no business being done at the ⅝ percent level.

The bank's 10-year global issue is expected to be launched soon and will be its largest ever, topping the $750 million issued in 1987. Deutsche Bank and Salomon Brothers have been named co-lead managers of the 14-bank syndicate arranging the offering.

Treasury Bonds

June 9

Maturity	Close Bid	Close Ask	Yield	Wk.-ago yield
31.05.91	100 27/32	100 29/32	8.26	8.50
15.05.92	102	100 2/32	8.20	8.47
31.03.93	104 14/32	104 18/32	8.21	8.47
15.08.94	101 31/32	102	8.14	8.44
15.04.96	106 10/32	106 12/32	8.14	8.46
15.05.99	106 21/32	106 23/32	8.13	8.44
15.02.06	110 14/32	110 18/32	8.21	8.54
15.02.19	108 2/32	108 4/32	8.15	8.48

Source: Salomon Inc.

U.S. Consumer Rates

June 9

Tax Exempt Bonds Bond Buyer 20-Bond Index	6.95 %
Money Market Funds Donoghue's 7-Day Average	9.50 %
Bank Money Market Accounts Bank Rate Monitor Index	6.60 %
Home Mortgage, FHLB average	10.20 %

Source : New York Times.

Euromarts At a Glance

Eurobond Yields

	June 7	May 31
U.S. $, 8 yrs & over	9.31	9.51
U.S. $, 5 to 7 yrs	9.49	9.61
U.S. $, less than 5 yrs	9.45	9.64
Pounds sterling, less than 5 yrs	12.06	11.98
French francs, less than 5 yrs	8.93	8.88
Ital. lire, less than 5 yrs	11.41	11.52
Danish krone, less than 5 yrs	10.07	9.99
ECU, 8 yrs & over	8.81	8.87
ECU, 5 to 7 yrs	8.78	8.86
Can. $, less than 5 yrs	10.81	11.18
Aus. $, less than 5 yrs	16.20	16.36
N.Z. $, less than 5 yrs	13.71	14.02
Yen, 5 to 7 yrs	5.34	5.34
Yen, less than 5 yrs	5.12	5.14

Source: Luxembourg Stock Exchange.

Weekly Sales

June 9

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	238.30	812.40	3,798.40	779.70
Convert.	—	—	—	—
FRNs	—	—	270.00	—
ECP	2,074.10	166.20	8,326.30	1,360.50
Total	2,304.40	978.60	12,384.70	2,140.20

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	3,577.50	6,972.30	10,230.20	5,941.10
Convert.	151.60	282.70	676.90	319.60
FRNs	651.80	825.00	3,537.10	2,522.20
ECP	3,106.80	1,824.70	3,115.90	1,233.10
Total	7,487.70	9,105.70	17,560.10	10,016.00

Source: Euroclear, Cedel.

Libor Rates

June 9

	1-month	3-month	6-month
U.S. $	9 7/16	9⅛	9⅛
Deutsche mark	6¾	6 15/16	7⅛
Pound sterling	13⅞	14	14 3/16
French franc	8 15/16	9	9 1/16
ECU	8⅞	9	9⅛
Yen	5¼	5 5/16	5 5/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.

Strong Foreign Buying Boosts U.S. Treasury Securities

By H.J. Maidenberg

New York Times Service

NEW YORK — U.S. interest rates plunged to their lowest levels in two years last week, as the prices of long-term Treasury bonds surged.

The Treasury's bellwether 8⅛ percent bonds maturing in 2019 closed Friday at 108 3/32 to yield 8.15 percent, up from 104 7/32 to yield 8.48 percent the previous week.

The buoyant dollar was mainly responsible for the rally in bonds, dealers said. One dealer noted that so many orders poured into the firm's Tokyo office on Thursday night that they could not be filled until trading opened in New York Friday morning.

Much of the buying was attributed to strong demand from Japan, Hong Kong and other financial centers in Asia, where investors have been shaken by the upheavals in China and have moved their assets into holdings denominated in dollars.

William V. Sullivan Jr., senior

U.S. CREDIT MARKETS

vice president of Dean Witter Reynolds Inc., noted that since the Hong Kong stock market has been so badly battered, investors have been selling equities there and reinvesting the proceeds in Treasury bonds.

But he added that in addition to the buying interest spurred by the events in China, "we have seen a good amount of domestic retail demand for Treasury paper all week. And the supply of Treasury paper is far from burdensome."

Almost ignored in the frenzied buying was an unexpectedly sharp rise in the Producer Price Index for May reported Friday. The 0.9 percent rise would normally have indicated a strong inflationary tendency, which would in turn have caused heavy selling of fixed-income securities.

Prices did drop initially, but within minutes they rebounded after closer examination of the producer price data showed that much of the rise in wholesale costs resulted from soaring vegetable prices, a rise in car prices and higher gasoline costs.

But excluding the volatile energy and food sectors, the rise in the index was a more moderate 0.5 percent.

"The wholesale price figures did produce a flood of selling at the opening that knocked prices down as much as a point and a half," said Jonathan B. Greenspan, chief trader at Aegis Capital Management.

"After that, the strong demand for dollars and long-term Treasury securities fed off each other for the rest of the day," he added. "The massive selloff in the precious metals markets also helped the fixed-income market."

Rates on short-term U.S. Treasury securities also declined last week as traders speculated that the U.S. Federal Reserve Board might soon ease its credit policies.

IFDC JAPAN FUND

Société d'Investissement à Capital Variable

Registered office: 2, boulevard Royal, 2953 Luxembourg

R.C. Luxembourg: B - 21694

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of IFDC JAPAN FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, 2953 Luxembourg, on June 30, 1989 at 3.00 p.m. with the following agenda:

1. **Submission of the Reports of the Board of Directors and of the Independent Auditor.**
2. **Approval of the Statements of Net Assets and of the Statements of Operations for the year ended as at March 31st, 1989; Appropriation of the results.**
3. **Discharge of the Directors.**
4. **Receipt of and action on nomination of the Directors.**
5. **Miscellaneous.**

The shareholders are advised that no quorum is required for the items on the agenda of the annual general meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of IFDC JAPAN FUND the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg.

The Board of Directors

The R.O.C. Taiwan Fund

and

The Taiwan (R.O.C.) Fund

NOTICE

Notice is hereby given to the former Unitholders and the holders (the "IDR-holders") of International Depositary Receipts (the "IDRs") that, pursuant to the extraordinary resolution adopted by the IDR-holders in the meeting (the "Meeting") held on April 18, 1989, The Taiwan (R.O.C.) Fund (the "Fund") completed its reorganization on May 19, 1989. Subject to certain provisions which are stated to apply after its termination, the Deposit Agreement dated October 27, 1983, as amended (the "Deposit Agreement"), pursuant to which the IDRs were issued, was terminated on May 19, 1989.

The Amended and Restated Investment Contract, substantially in the form attached as Appendix A to the Prospectus/Proxy Statement dated March 17, 1989 (the "Prospectus/Proxy Statement") of The R.O.C. Taiwan Fund (the "Trust") and approved by the IDR-holders in the Meeting, was approved by the Securities and Exchange Commission of the Republic of China on May 19, 1989 and became effective on the same day upon the completion of the reorganization of the Fund. Copies of the English translation of such Amended and Restated Investment Contract are available upon request from the Trust at the address indicated below.

Pursuant to the extraordinary resolution adopted in the Meeting, and as described in greater detail in the Prospectus/Proxy Statement, all of the 59,260,000 Units of the Fund outstanding on May 19, 1989 were cancelled and replaced by an aggregate of 21,655,753 shares of beneficial interest, par value $.01 per share (the "Shares"), of the Trust. The Trust has issued a global Share certificate representing such 21,655,753 Shares to the nominee of Morgan Guaranty Trust Company of New York, Brussels office, the Depositary under the Deposit Agreement.

Each of the cancelled 59,260,000 Units has been replaced by 0.365436263 Share. The details of the cancellation and replacement of Units by Shares in terms of the IDRs outstanding on May 19, 1989 are as follows:

IDRs	Units represented by such IDRs	Shares issued to replace each such Unit
Original International Depositary Receipts outstanding prior to the issuance of Bonus Units and Bonus IDRs (representing Bonus Units) in connection with the reorganization transaction (without coupon nos. 6, 7 and 8)	1,000	365.436262
Coupon no. 6 to original International Depositary Receipts, representing the Bonus Units represented by Bonus IDRs issued on May 11, 1989 in respect of the original International Depositary Receipts	3,000	1,096.308789
Coupon no. 7 to original International Depositary Receipts, representing the Bonus Units represented by Bonus IDRs issued on May 17, 1989 in respect of the Bonus IDRs represented by coupon no. 6	12,000	4,385.235156
Coupon no. 8 to original International Depositary Receipts, representing the Bonus Units represented by Bonus IDRs issued on May 17, 1989 in respect of the original International Depositary Receipts	4,000	1,461.745052

Therefore, an original International Depositary Receipt together with coupon nos. 6, 7 and 8 (representing together a total of 20,000 Units) has been replaced by 7,308.72526 Shares. The Trust will redeem any fractional Share that an IDR-holder may be entitled to at the net asset value per Share on the date (no earlier than August 18, 1989) upon which a holder's IDRs (or coupons representing Bonus IDRs), having been presented to the Depositary in proper form, are cancelled and the appropriate number of Shares is issued in respect thereof. August 18, 1989 is the 91st day after May 19, 1989 and is the day on which the restriction expires on trading of the Shares issued to the IDR-holders and held by the Depositary in the form of the global Share certificate referred to above. IDR-holders should note that all IDRs held by them may be aggregated for presentation to the Depositary, with the result that any fractional Shares represented by such IDRs will also be aggregated and only one fractional Share need be redeemed from a presenting IDR-holder. The registrar and transfer agent of the Trust will issue a check in the appropriate amount to the person or organization designated by a presenting IDR-holder when Share certificates are issued to an IDR-holder in accordance with the procedures described below.

On or after August 18, 1989 the Trust will exchange the global Share certificate in whole or in part for definitive Share certificates of the Trust upon surrender to the Depositary by IDR-holders of their original International Depositary Receipts and/or coupon nos. 6, 7 or 8, as the case may be, and provision to the Trust, through the Depositary, of names and addresses required for the registration of the Shares on the books of the Trust. Upon such presentation IDR-holders may also be requested to provide information necessary in order to permit the Trust not to engage in "back-up withholding," or to reduce the percentage of withholding otherwise applicable to foreign shareholders of the Trust, for United States Federal income tax purposes in respect of the payment to be made upon the redemption of fractional Shares referred to above or in respect of subsequent distributions payable upon the Shares so acquired. Appropriate forms for the provision of such information will be available from the Depositary. Any IDR-holders having questions about the information required or the forms to be completed should call the Trust's office in Baltimore, Maryland at (301) 625-6500 and should identify themselves as IDR-holders.

Because no Share certificates of the Trust will be issued prior to August 18, 1989, the Trust recommends that IDR-holders not surrender original IDRs or coupons to the Depositary before August 7, 1989.

The R.O.C. Taiwan Fund
c/o 167 Fu Hsing North Road
17th Floor
Taipei, Taiwan
Republic of China

Attention: President
Telephone number: 886-2-713-7702
Telecopy number: 886-2-717-3077
Telex number: 13614 INTRUST

The Taiwan (R.O.C.) Fund

International Investment Trust Company Limited
as Manager
167 Fu Hsing North Road
17th floor
Taipei, Taiwan
Republic of China

Attention: President
Telephone number: 886-2-713-7702
Telecopy number: 886-2-717-3077
Telex number: 13614 INTRUST

Morgan Guaranty Trust Company of New York, Brussels Office
as Depositary
Avenue des Arts 35
1040 Brussels
Belgium

Attention: Securities Dept.
Telephone number: 32-2-508-8215
Telecopy number: 32-2-512-4977
Telex number: 21752 MORBK

NASDAQ National Market

OTC Consolidated trading for week ended Friday. June 9

	Sales in 100s	High	Low	Close	Net Ch'ge
— A—A —					
A&W Bd	27 2534	25¼	23½	24¼	— ⅞
ABS s .32	13 x422	u 9	8	9	+ ⅜
ABQ	468	2½ d	1⅝	1¾	— ½
ACC Co .09e	35 846	4½	3¼	4¼	+ ⅛
ADC	13 834	17	15¾	15¾	— ⅜
ADT	13149	29	28¼	28¼	— ¾
AEL	496	8	7¾	7¾	
AEP	12 436	16¾	16½	16¾	
AIM Tel	22 218	4¼	3½	3¾	+ ¼
AIRCOA	12	4	3¾	4	+ ¼
ALC h	3919	5	4⅝	4¾	— ½
AME	49 390	10⅞	10	10⅛	— ¼
ASK	15 3671	15¾	14¼	14½	—1
AST	5826	9½	8½	9	— ¾
AamRt .10	11 108	u12	11½	11¾	+ ½
AbingB .32	14 35	9⅞	9½	9½	— ⅛
AbcLinc	13 255	17¾	16¼	17¼	+1½
Abram s .24	13 410	6¾	6⅜	6¾	+ ⅛
Acadin	25 1666	1 9-16	1⅜	1½	
Accel †	7 166	7¼	6⅞	7	+ ⅛
Aceplin	7 972	u17¼	16	17¼	+1
Acelo .14b	12 x89	15½	15	15	
ACMT	29 16	10	8½	9¼	+ ¼
AcmeSt .05e	6 1160	24⅝	23¼	23¼	— ¼
ActARt s †	30 998	22	21	21½	
ActnSv .32e	4 631	12	11¼	11½	— ¼
ActAuSt	17 188	5½	5	5	— ¼
Actmed	153	14½	14¼	14½	+ ½
Acxiom	17 1339	16¼	15½	15½	— ⅝
AdacLb .16	16 18409	5 7-16	5 1-16	5 5-16	+ ¼
Adage	1176	1½	1⅜	1⅜	—1-16
Adapt	57 8187	u11	10	10⅞	+ ⅞
Adinat s	17 1482	19½	18	18	—1½
AdioSv .14	15 1927	24¼	23½	24¼	
AdobeS s.09i	25 16789	29¼	26½	28	—1¼
Adtec	12 173	3⅞	3⅝	3⅞	+ ⅛
AdvCir	3176	6	5½	5⅝	— ⅛
AdvRos	1461	u14½	11½	14¼	+2¾
AdCpt	76	1⅝	1⅜	1⅜	— ⅛
AdvMag	26 95	11	9¾	10½	+ ¼
AdMkSv .16	18 2086	17	16	17	+ ¾
AdvPolv	5433	9½	7½	8¾	— ¾
AdvSem	677	9¾	8½	8¾	— ⅛
AdvTel	20 2097	19	18	18⅝	
Advanta	1686	8½	8¼	8½	+ ½
Advanl	846	3⅝	2¾	2¾	— ¾
AdvoSv	9778	u 9	8	9	+1
Aequtrn	175 946	3⅝	3½	3½	— ⅛
Aegon 1.27e	9 90	44½	44	44¼	— ½
AerSysl	131 412	1⅝	1 5-16	1 5-16	
AlIBcCp .32	6 365	7¾	7⅜	7⅝	
AfIBsh	296	13½	12¾	12⅞	— ⅛
AgncvR †	24 26568	u23½	20¾	23½	+1⅞
Agnico g.20	2813	7⅝	7	7 3-16	+1-16
Agouro	31	13¾	13	13¾	+ ¾
AirMd	1518	5⅝	5¼	5⅜	+ ⅛
AirWisc .13	11 3491	12½	12¼	12¼	— ¼
Airind	110	1⅝	1 9-16	1 9-16	— ⅛
Airtran .12	15 704	7¼	6⅞	7¼	+ ⅛
Akorn .06e	17 60	1 11-16	1½	1 11-16	+1-16
Akzo 1.15i	2287	34⅞	33⅝	33½	— ⅝
AlamBc .60	17	17	17	17	
Alaten 1.10	16 56	15	14¼	15	+ ¼
AlcoHlt	17 423	24¾	23¾	23¾	—1
Aldus	14 8033	20¼	17	17¾	—2½
AlexBr .16	2036	12	11½	11⅝	+ ⅛
AlexBld .80	8 12420	38½	37¼	37½	— ½
AlfaCp .36	10 210	12	11½	11½	— ½
Algorex	4 46	1 5-16 d	1¼	1¼	—1-16
Allco .20	33 162	38	35¾	37	
AllAm s	9 434	3⅝	3	3	— ⅜
AllCity	5 68	4⅞	4¾	4¾	— ⅛
AlegW	21 908	8⅞	8¼	8⅞	+ ½
AlnOrg .32a	10 16	33	32	32½	+ ½
AllFinl †	23 28	38½	37	38½	+1
AllonPh	2110	13½	13	13⅜	— ⅛
AlnPh wt	20	4¾	4¾	4¾	
Allont	2469	5⅝	5¼	5½	
AlldBk s .20	18 48	10½	10½	10½	+ ¼
AlldCp s.92i	12 222	18½	18	18¼	+ ¼
AlldGp .44	7 77	11¾	11¼	11½	— ¼
AlldRsh	136	2¾	2½	2½	
AloyCot	117	1⅞ d	1⅝	1⅝	— ¼
Allwast	26 6965	19⅞	18½	18¾	— ¼
Aloette .15a	12 162	11¾	11¼	11½	+ ¼
Alphart	217	1¼	15-16	1 1-16	—3-16
AlaMic	8 876	7	6⅞	6⅞	— ½
Altai	5 434	3⅜	3	3 3-16	+3-16
Altera	19 3338	8¼	7¾	8	
Altus	489	4⅞	3⅞	4¼	+ ⅜
Altos	7 391	7	6⅝	6⅝	— ¼
Altron	63 122	5⅛	4⅞	5	— ⅛
AmbFn	137	1⅝	1¼	1¼	
Amcor .50	9 196	17	16½	17	
Amrian .37	156	10¾	10	10½	
Amerbc .22	6 x106	12	11½	12	
AFFMf2 1.51e	634	8¾	8¼	8¾	+ ⅜
AFFF	1515	u21½	20½	21½	+1
AmFPr 1.60	474	16	15¾	15¾	
AFTxE 1.70	994	15¾	15	15¼	— ¼

	Sales in 100s	High	Low	Close	Net Ch'ge
Benhan	195	3½	3⅜	3⅜	— ⅛
BenlSv	3 1293	5	4½	4¾	
Berkley .40	7 1052	31¾	31½	31¾	+ ¼
BerkGs 1.28	12 27	17¼	15¾	15¾	
BerryP †	24 9	26½	26½	26½	— ⅜
BethlBc .16e	7 24	14⅞	14	14½	+ ½
BetzLb 1.68	17 985	u57¾	56½	56⅝	
Big B .16	14 x664	13	12	12⅝	+ ⅜
BigOTr	19 1056	2	1 13-16	1 15-16	+3-16
Bindly	17 1715	9¼	8⅛	9	+1
BingKg	14 121	3⅜	3⅜	3⅜	— ⅜
Bingn wt	318	4¼	3¾	3¾	— ½
BioLog	24 123	5⅜	5	5	— ¼
BiMedc	28 2348	u16⅜	16	16¼	— ⅛
Biogen	29760	u15⅞	12⅞	13⅝	—1⅛
Biomet s	32 7130	23¼	21¾	22	—1⅜
Biosph	44 97	4¼	4	4	— ½
BiotcR	24 977	5	4⅝	4⅞	+ ⅛
BioTInl	124	3	2⅞	3	
Birdinc	25 1797	11¼	10⅝	10⅝	— ⅝
BirIchr	14 55	3	2⅞	3	
Blackl .03	11 10	10	10	10	
BlisLau	7 52	7¼	7	7	— ¼
BlckD .04b	14 x540	u36	35	36	—1
BRdg un	61 111	21⅛	19¾	20¼	—1¼
BoatBn 2	19 21891	u38⅝	36⅛	38⅜	+2⅜
BobEvn .26	15 3061	15½	14⅝	15¼	
Bogert	112	9½	8¾	9¼	+ ¼
Bahama .20b	8 1180	19¼	17½	17½	—1
BonvlP	68 1496	10½	10	10¼	+ ¼
BoolsB	18 731	19¼	18¾	18¾	—1
BostEl	12 108	4⅝	4½	4⅝	+ ⅛
BostAc	14 423	18¼	17¼	17¾	— ¾
BostBc .60	8 5416	17⅛	16½	16⅝	
BsmDig	5	3⅜	3⅜	3⅜	— ½
BsmFB .72	15 2338	15	14¾	14¾	— ¾
BlvdBc .48	12 602	23½	22⅞	23	— ¾
BradRE .48	170 x390	13¾	13⅛	13⅝	+ ⅜
BradyW .28	19 445	u26	24½	25⅞	+1¼
BraeCp	18 603	u 4⅞	4¼	4⅝	
Brantre .36	16 48	13	12½	12¾	+ ¼
Braids	8 101	5½	5	5½	+ ¼
Brand	26 670	20¾	19¾	20⅜	+ ⅜
Brandn .12	15 112	10¾	d10⅛	10¼	— ⅜
Brndy .20e	15 6	21	21	21	— ¼
BrnfdSv .60	9 93	14	13½	13¾	— ¼
Brkwt g.10e	2435	2 9-16	2⅜	2⅜	
Brenco .20	25 479	8⅞	8⅝	8⅝	
Brendle	56 890	7⅜	7	7¼	— ¼
BrdgF s .20	19 8	20	19	19	
BrodN s.54e	13 6	26½	24	26½	+2
BdwyFn .48	6 39	13½	13½	13½	
BklynSv .40	7 56	7¼	6¾	6¾	—1¼
BrwnRb	31 522	6	5½	5½	
BrTom s	216	6¾	6⅜	6¾	
BwnTrn	153	5⅛	4¾	4¾	— ½
Brunos .12	21 8807	u14¼	12⅝	13¾	+ ¾
BrynMw 1.40	9 32	u32	30	32	+2½
BckyFn	496	7¼	6	6⅞	+ ⅜
Buffet	35 3101	u26¼	24¾	25¼	+ ¾
BuildT	643	10¼	9¾	10	— ¼
BullBear	21 18	4¾	4⅝	4⅝	+ ⅛
BullRGd	7 573	1 7-16	1 5-16	1 5-16	
BurnpS	25 2617	22½	21¾	21⅞	— ⅝
BurrBr	10 1274	13¾	13	13	— ¾
Burrit	16 12	21¾	21¼	21¾	
BuflrMl 1.40	11 188	39	38	38¾	
Bytex	2383	9	8¼	8¼	— ⅜

(Continued on next page)

WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

Dutch interest rates continued to fall modestly last week, from a peak of 7.5 percent to 7.25 percent bringing more confidence to the stock market. The CBS all-share index moved upward almost daily to reach 192.9 on Friday, against 190.8 a week earlier.

The market was not disturbed by a flood of new share issues.

Volume totaled 9.5 billion guilders, against 7 billion the previous week. Equity trading totaled 4.2 billion, against 3 billion a week earlier.

Frankfurt

The Frankfurt market continued to make progress, as the DAX-30 index finished on Thursday at 1,438.73 and the Commerzbank indicator at 1,785.4, their highs for the year.

A data-processing system breakdown disturbed trading on Friday, and the indexes were unavailable.

Analysts said both foreign and domestic investors were being attracted to the stock market because of good West German economic performance and growth. Volume on the eight West German exchanges totaled 32.74 billion Deutsche marks for the week, against 34.59 billion the previous week.

Hong Kong

The market was shaken all week by events in China, tumbling dramatically on Monday but recouping some losses later in the week as cautious bargain-hunting set in.

The barometer Hang Seng Index finished the week at 2,268.38 on Friday, a 407-point loss for the week. It plunged 581.77 points on Monday, one day after troops entered Beijing to put down pro-democracy demonstrations.

The broader-based Hong Kong Index closed at 1,496.23, shedding 271.60 points. It also improved from the 386.59-point drop suffered Monday.

Average daily volume rose to 2.11 billion Hong Kong dollars from 1.35 billion Hong Kong dollars.

Monday's plunge represented a loss of more than 20 percent in share prices, the biggest in a single day since the October 1987 global market collapse.

London

Shares closed higher on the London Stock Exchange at the end of a week notable for anxiety over political instability in China and Iran and Nigel Lawson's defense of his economic policy in the House of Commons.

The chancellor's speech brought some much-needed stability to the market, which marked down companies with sizeable Hong Kong and Chinese exposure, such as Cable & Wireless, Standard Chartered and Inchcape.

Milan

Milan stocks rose, bringing the Comit index to its high of the year on Friday, as it closed at 629.93 against 612.19 the previous Friday. The MIB index also reached a high for the year at 1,062 on Friday, against 1,032.

All leading issues gained, particularly the Ferruzzi Group: Agricola up 6.90 percent on the week, Montedison 5.23, and Ferfin 3.71 percent.

Paris

The Bourse's SBF (formerly CAC) index ended the week at a record high of 488.0 on Friday, against 481.2 a week earlier, hoping for lower U.S. interest rates. However, those hopes were dealt a blow on Friday with release of U.S. wholesale price figures pointing to inflationary pressures.

The Bourse was worried on Thursday by a rise of overnight money interest rates as the Bank of France took some liquidity out of the market.

Singapore

The Stock Exchange of Singapore took a severe beating after the military crackdown in Beijing.

The Straits Times Industrial Index lost 64 points for the week to finish at 1,241.21 on Friday. The SES all-share index lost 15.44 to 333.23.

Volume was up 31 percent, at 1.18 billion units worth 912.7 million Singapore dollars.

Tokyo

Share prices were mixed in extremely thin trading, with turnover halved from the previous week.

The Nikkei Stock Average of 225 blue-chip stocks suffered a moderate 27.44 yen setback to close at 33,639.98 Friday. But the Tokyo Stock Price Index of all common stocks listed on the major section rose 1.85 points to 2,503.41.

Despite the Bank of Japan's recent discount rate increase of 0.75 percentage points to 3.25 percent, the dollar remained strong, keeping the 143-yen level for most of the week, largely on turmoil in China.

The crisis weighed heavily on investors' minds all week, forcing many out of the market.

Average daily turnover came to 555.5 million shares, almost half the previous week's 1.01 billion. The value of stocks traded plunged to an average 892 billion yen from 1.65 trillion yen.

Zurich

Zurich stocks had a good week, as most Swiss and foreign issues gained. The Crédit Suisse index finished at 593.3 on Friday, against 572 a week earlier, and the Swiss Bank Corp. indicator at 622.10, against 604.4.

Operators noted a definite return of foreign investors, especially American and British, as Zurich profited from uncertainty in Hong Kong in connection with unrest in China.

Early Nasdaq Trading Seen for 200 Stocks

New York Times Service

NEW YORK — The National Association of Securities Dealers has revealed plans to allow trading in more than 200 securities to start at 4 A.M. in New York.

The effort comes as several U.S. exchanges are considering expanded hours in response to the industry's global nature.

The association is the self-regulatory organization for the over-the-counter market and oversees electronic trading on the Nasdaq system. The Nasdaq over-the-counter market is the second-largest stock market in the United States.

The plan cannot be realized for several months, and the new hours are unlikely to take effect before 1990. Any change would require approval of the Securities and Exchange Commission.

In expanding its hours, the association would allow competition with trading on London's International Stock Exchange.

Under the proposal, investors in London would be able to trade American depository receipts, the negotiable receipts for securities held overseas, that are listed on Nasdaq.

Interest in globalization has picked up again in recent months after the Chicago Mercantile Exchange reached an agreement with Reuters PLC to develop a 24-hour electronic trading system, known as Globex.

Court Refuses Order on Time

Compiled by Our Staff From Dispatches

WILMINGTON, Delaware — A Delaware judge has refused to issue an order restraining Time Inc. from using a stock-swap defense tactic to discourage a $10.7 billion hostile bid by Paramount Communications Inc.

Paramount, formerly known as Gulf & Western Inc., filed for the order when it launched a cash offer for Time just 16 days before shareholders were to vote on a merger between Time and Warner Communications Inc.

In New York Friday, Paramount called the decision "extremely satisfactory," because the court acted "solely because it has the power to undo any Time-Warner stock swap."

(UPI, NYT)

U.S. SPRINT: *Workout Is Over, Time Now to Race*

(Continued from first finance page)

mode of transmission among large businesses that must exchange huge amounts of information.

The biggest challenge for Sprint will come from AT&T, which has become more aggressive in recent months to counteract the erosion of its market share. Sprint's advantage in the fiber-optics field is slowly slipping away as AT&T and MCI install it in their long-distance networks.

AT&T has gained new regulatory freedom to price its services more competitively, and is deploying thousands of employees to sales positions to protect lucrative business accounts from rivals. MCI has also proved a formidable competitor, with its latest victory coming in the Merrill Lynch sweepstakes.

The industry leader, AT&T, has about 70 percent of the long-distance market, followed by MCI, with about 12 percent, and Sprint with 8 percent. The rest is spread among smaller long-distance companies that serve specific regions.

Sprint executives declined to be interviewed for this article, but analysts say that projected earnings would only come with increased market share, and the competition is getting stiff.

"Should Sprint find it difficult to attract new customers, either in a slower economic environment or because of competition, it will be tempted to use pricing to attract new business," Mr. Nichols said. "I would be very concerned about this because price cuts would backfire, having a negative impact on all existing business and would not attract significant volume."

Responsibility for increasing Sprint's market share lies with William T. Esrey, United Telecom's president and chief executive, the man credited with much of Sprint's turnaround.

The first, Charles M. Skibo, resigned under pressure because of rising operating costs and problems with the billing system. His successor, Robert H. Snedaker, Jr., resigned when United Telecom bought GTE's majority share in Sprint last July.

"The way U.S. Sprint was being managed was laughable and the root of the devastating problems it suffered was simply due to negligence and incompetence in upper management," said Paul Walton, a former independent salesman for Sprint who waged an unsuccessful bid to become president last year. "This will surely become a classic business school case study of a total communication breakdown in a company specializing in communications."

Analysts said the source of Sprint's problems was the rocky relationship between GTE and United Telecom, which disagreed over how the carrier should be managed. All decisions had to be approved by a complex bureaucracy that made it extremely difficult to operate, the analysts said, and finally GTE threw in the towel.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

Stock	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

American Exchange Options

Figures as of close of trading Friday. June 9

Option & price		Calls Jun	Calls Jul	Puts Jun	Puts Jul
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Volume: 190,027
Open Interest: 2,788,473
r—Not traded. s—None offered. o—Old.

Chicago Exchange Options

Figures as of close of trading Friday. June 9

Option & price		Calls Jun	Calls Jul	Puts Jun	Puts Jul
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Volume: 601,371
Open Interest: 5,135,198
r—Not traded. s—None offered. o—Old.

"You can save up to 50% when you subscribe to the International Herald Tribune."

Call **toll-free** today and just tell the operator:

"Yes, please send me a 12-month subscription plus 52 FREE issues to the IHT — (364 total issues) — 14 months in all."

— OR IF YOU PREFER A SHORTER SUBSCRIPTION TERM —

"Yes, please send me a 6-month subscription plus 26 FREE issues to the IHT — (182 total issues) — 7 months in all."

You may pay by credit card or we will invoice you or your company. If a toll-free number is not available in your country of residence or if you prefer to order by mail, just complete and mail the coupon below.

(Offer valid until December 31, 1989 for new subscribers only.)

Country/Currency		TOLL-FREE TELEPHONE NUMBER	12 months (+52 free issues)	ONE-YEAR SAVINGS	6 months (+26 free issues)
Austria**	A. Sch.	0660 396	4,400	3,608	2,500
Belgium**	B.Fr.	(02) 218 45 43*	11,000	7,200	6,000
Denmark**	D.Kr.	0430 00 80	2,700	1,304	1,500
Finland**	F.M.	(90) 60 30 30*	1,760	1,334	970
France	F.F.	05-436 436	1,500	1,230	830
Germany**	D.M.	0130 25 31	580	403	320
Gr. Britain	£	— —	140	96.60	77
Greece**	Dr.	691 02 42***	29,000	25,600	16,000
Ireland	£Irl.	— —	155	118	85
Italy	Lire	— —	420,000	308,000	231,000
Luxembourg	L.Fr.	49 49 60	11,000	7,200	6,000
Netherlands**	Fl.	06-022 08 15	600	492	340
Norway**	N.Kr.	(02) 41 34 89*	2,000	1,276	1,100
Portugal**	Esc.	(01) 80 71 23*	29,000	29,240	16,000
Spain**	Ptas.	(91) 401 29 00*	32,000	22,600	17,600
Sweden**	S.Kr.	(08) 21 01 90*	2,000	1,276	1,100
Switzerland	S.Fr.	046 05 68 00	455	455	255
Rest Europe, N. Afr., X-French Africa, Mid. East	$	— —	470	Varies by country	260
Rest of Afr., Gulf St., Asia	$	— —	620		340
Central/Latin America	$	— —	540		295

* In the following countries, you will pay only the cost of a local call as a connecting charge: Belgium, Finland, Norway, Portugal, Spain and Sweden. *(For all other listed toll-free numbers, the call is absolutely free.)*
** Please ask your operator for details about hand delivery in these countries.
*** Call this local number in Athens. *(Not toll-free.)*

International Herald Tribune.

To: Subscription Manager, International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.
Tel.: (1) 46 37 93 61; telex: 612832; fax: 46 37 93 70.

Please send me:

☐ a 12-month subscription + 52 FREE issues to the IHT — (364 total issues) 14 months in all.
☐ a 6-month subscription + 26 FREE issues to the IHT — (182 total issues) 7 months in all.

☐ My check is enclosed. ☐ Please charge my credit card.
☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ Mastercard ☐ Visa

Card account number ____________
Card expiry date ____________ Signature ____________
Name ____________ Address ____________
____________ City/Code ____________
Country ____________ Tel./Telex/Fax ____________ 12-6-89

MONDAY SPORTS

Johnson Set to Give Pivotal Testimony In Steroids Inquiry

By Michael Janofsky
New York Times Service

NEW YORK — Thirty-nine witnesses have appeared over the last 10 weeks, and the weight of testimony by those close to Ben Johnson seems to suggest that the sprinter not only took performance-enhancing drugs for years, but knew what drugs he was taking, what benefits they brought him and what side effects he risked.

Starting Monday in Toronto, Johnson finally will have the chance to speak for himself, and what he tells the Canadian government commission investigating the use of drugs by athletes may have a strong influence on his future as an athlete.

Johnson tested positive for an anabolic steroid, stanozolol, last fall at the Olympics in Seoul. He is serving an automatic two-year suspension imposed by the world governing body for track and field.

And the federal government has eliminated his financing, about $600 a month.

Yet Johnson, who dearly wants to return to sprinting, faces the darker prospect of never being able to represent Canada again in competitions like the Pan American Games and the Olympics.

The decision ultimately rests with the minister of sport, Jean Charest, who does not intend to act until Charles Dubin, the Ontario judge presiding over the inquiry, has filed his report.

In the view of several lawyers involved with the inquiry, previous testimony has created the strong impression that Johnson used drugs for as many as seven years before the 1988 Olympics.

They say that he would be perceived as untruthful if he denies it, and that Dubin might cast him in a harsher light because of the evidence to the contrary.

The lawyers, who seem persuaded by the testimony so far, say Johnson would avoid the most severe sanction by acknowledging his drug involvement, admitting it was wrong and vowing to join the fight against the use of banned substances in sports.

By doing that, the lawyers say, Dubin might recommend in his report to Charest that Johnson be returned to full standing at the end of his two-year suspension.

ANALYSIS

"I don't think any of us know which way he'll go," a lawyer, who asked not to be identified, said of Johnson. "He could certainly do more for himself if he told the truth."

In previous testimony, Johnson has been portrayed as a willing participant in drug programs designed to make the most of his physical abilities as a sprinter, to the point that he lowered the 100-meter world record to 9.83 seconds two years ago in Rome.

Indeed, there was damning evidence from his coach of 11 years, Charlie Francis, and George (Jamie) Astaphan, the doctor who said he managed Johnson's drug program for the five years leading to the positive test in Seoul.

They testified in great detail about what drugs Johnson used — starting in 1981, according to Francis — and when he used them.

They also testified that Johnson had understood precisely what he was doing, a crucial point.

At frequent points in his cross-examinations, Johnson's attorney, Edward Futerman, tried to elicit testimony that would show Johnson as a mere pawn in a larger game, easily manipulated by others, and as an athlete without the intellect to understand it.

To a large extent, the tactic failed, as one witness after another — including athletes who trained with him — refuted suggestions that Johnson was ignorant or incapable of understanding situtions.

At one point, Astaphan described Johnson as being "very inquisitive" about any drug he was given. He also provided the inquiry with a taped conversation, in which Johnson acknowledged using a drug Astaphan had given him.

Other witnesses described Johnson's keen awareness of matters relating to business opportunities and cars, which are his hobby.

But just as Astaphan offered testimony that would appear to be damaging to Johnson's position, he also might have provided him a loophole leading to daylight.

Under intense questioning by Futerman, Astaphan recounted in detail conversations in which he claims to have told Johnson every possible adverse side effect of the drugs he was taking.

Several times during Astaphan's testimony, Dubin made it clear that he did not believe the doctor.

If Johnson denies that Astaphan properly warned him of side effects and says he would have elected not to use the drug had he known of them, Dubin might give him the benefit of the doubt.

Meanwhile, Johnson has made it clear that he wants to return to competition, even if that means resuming his career just three months short of his 29th birthday.

In an interview last week in Milan, Johnson told The Associated Press: "I have high hopes that my position is cleared up. I'm looking forward to a comeback in September next year. My dream is to compete in the next Olympics. I want to face Carl Lewis again."

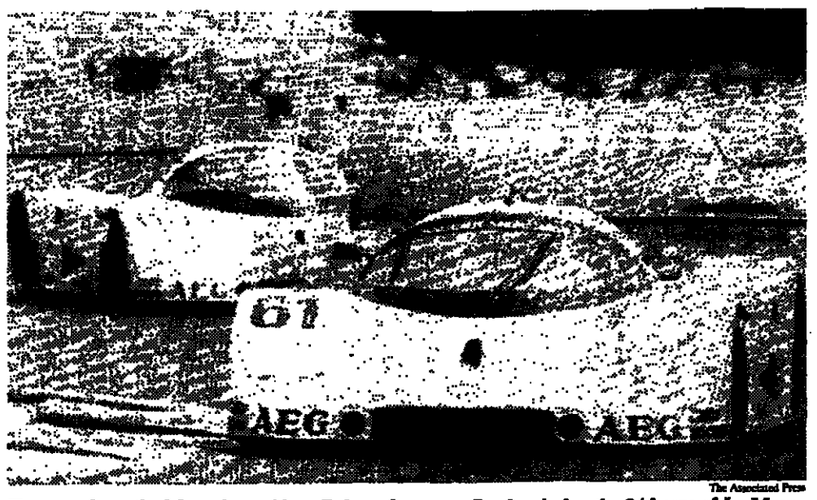
For the first time since the track and field phase of the inquiry began, he has the power to make the point, himself.

McEnroe Wins on Grass In Wimbledon Warmup

The Associated Press

BECKENHAM, England — John McEnroe crushed Australian Brod Dyke, 6-4, 7-6 (7-0), in the final of the Beckenham grass-court tennis tournament Sunday and said he hoped his success would be repeated in four weeks at Wimbledon.

McEnroe, the top seed in the tournament, received the winner's check of $8,000 and said, "I hope this bodes well for the heavier trophy in a couple of weeks' time."



The Associated Press

Two cars from the Mercedes stable pull through a curve Sunday during the 24 hours of Le Mans.

Mercedes Conquers Le Mans After 34 Years Off the Track

The Associated Press

LE MANS, France — Mercedes made a triumphant return to Le Mans on Sunday, winning the 24 Hours endurance race with West Germans Joachen Mass and Manuel Reuter and Stanley Dickens of Sweden leading a one-two sweep.

Mass was the final driver as the trio completed almost 390 laps on the 13.535-kilometer (8.41-mile) circuit in the French countryside.

The team had a lead of more than five laps over stablemates Mauro Baldi and Gianfranco Brancatelli and Ken Acheson.

West German Hans Stuck and Frenchman Bob Wollek were third in a Porsche after being in first for much of Saturday evening before a broken water hose slowed it down. It wound up six laps behind.

The Jaguar XJR9 of Jan Lammers of Denmark, Patrick Tambay of France and Andrew Gilbert-Scott of Britain was fourth. It took over the lead from Stuck and led until dawn when a broken gear box caused a pit stop that lasted almost an hour.

Another Mercedes with Frenchmen Jean-Louis Schlesser, Jean-Pierre Jabouille and Alain Cudini finished fifth after starting from the pole.

Mercedes was making a return to Le Mans after a spectacular accident in 1955 caused it to pull out of motor racing. A Mercedes went into the crowd, exploded into flames and killed more than 80 people.

Last year Mercedes was ready to come back but a tire blowout in the trials made company officials withdraw the entry at the last minute.

That race was won by a Jaguar for the first time since 1957 after factory-backed Porsches had dominated recently.

The 1989 race was the first as an independent Le Mans event since a dispute over television rights with the International Auto Sports Federation has made the race organizers break away from the official sports prototype world championship season.

The final race distance was 5,265 kilometers (3,271 miles), averaging almost 220 kph (137.5 mph). The record is 5,332 kilometers (3,312 miles) by the winning Jaguar last year.

It was a sweet triumph for Mass. In 1987 he had to drop out after the second hour. He was second in the 1982 race.

"It is a great success for the team," Mass said. "It was the first time they attempted it properly."

He added: "But I thought it would be a surprise if we finished."

Dickens felt it was a team victory.

"I think it's really fantastic that we got all three cars to the finish line," Dickens said.

Fignon Holds Firm in Giro

On the Rebound, French Cyclist Wins Tour of Italy

By Samuel Abt
International Herald Tribune

FLORENCE — Laurent Fignon took a long leap back toward the top of professional bicycling Sunday as he won the Giro d'Italia.

The victory was his first in a major multi-day race since he dominated the sport in 1984, before he fell physically ill and mentally troubled.

Riding determinedly over the 54 kilometers (33.5 miles) from the sleepy town of Prato into bustling Florence, Fignon finished a strong fifth in the field of 141 in the time trial that ended the three-week race.

The Frenchman needed the final effort. His closest rival, Flavio Giupponi, a hitherto obscure Italian rider, finished fourth in the race against the clock.

Starting the day 1 minute, 31 seconds behind Fignon, Giupponi could recover on 19 seconds.

He would have done better, but Fignon, bearing down as the finish in the Piazzale Michaelangelo hove into view, was clocked in the fastest (if unannounced) time over the *ultimo chilometro*.

This was a victory he wanted badly.

His overall time for the 3,655-kilometer (2,263-mile) race was 93 hours, 30 minutes, 16 seconds.

Giupponi was 1:15 behind and Andy Hampsten, the American who won the Giro last year, was third this time, 2:46 behind.

Urs Zimmermann, a Swiss, finished fourth and Erik Breukink, a Dutchman, finished fifth.

The time trial, which wound through fields of Tuscany, green with vineyards and silver with olive trees, was won by Lech Piasecki, a Pole.

A surprising second was Greg LeMond, the only American winner of the Tour de France, who is still recovering from an accidental shooting in 1987. Overall, LeMond was far back.

It would not be fair to say that Giupponi came up short in the race against the clock on a hot and sunny day. Rather, Fignon continued to come up long.

The 28-year-old Frenchman, who rides for the Système U team based in France, had overpowered his opponents since he took over the leader's pink jersey eight days ago.

On Friday, Fignon sprinted away from the field in the last few hundred meters and won the stage. On Saturday, after a tiring day of climbing, he finished third, just ahead of Giupponi and Hampsten.

"Fignon went out of his way to let everybody know how well he's going," said Dag Otto Lauritzen, Hampsten's teammate with 7-Eleven.

Fignon's team manager, Cyrille Guimard, put it even stronger at the finish. "He's back, no question about that," Guimard said. "Next comes the Tour de France."

That race, the only one more important than the Giro d'Italia, begins July 1. Fignon will rank among the favorites now, a position he has not held for four years.

He earned the new status. His form and confidence in the Giro, which many Italians regard as arrogance and even contempt, recalled the magic days of 1984 when he easily won the Tour de France for the second successive year.

With a glorious career open before him, Fignon was felled by heel tendinitis the next year and missed most of the season after surgery. He tried to come back too quickly and has been unable to finish another Tour de France.

Each setback left a psychological scar. He began to believe that he could no longer climb or time trial, two of his previous strengths.

But wearing *la maglia rosa*, the pink jersey, this last week seems to have wiped all that away. Fignon was sure of himself when he mounted the starting platform in the small Piazza Santa Maria delle Carceri in Prato Sunday afternoon.

The last man to go, he rolled away on the time trial — what some call the race of truth — down the Via San Bonaventura. In addition to a saint's name, the word means luck or good fortune, which appears to have turned Fignon's way again.

A 12th Triple Crown? Not This Year

By Steven Crist
New York Times Service

BELMONT, New York — Easy Goer finally ran the spectacular race so many expected of him earlier this spring when he scored a devastating eight-length victory over Sunday Silence on Saturday in the 121st Belmont Stakes here.

Easy Goer's victory, following second-place finishes to Sunday Silence in the Kentucky Derby on May 6 and the Preakness Stakes on May 20, prevented Sunday Silence from becoming racing's 12th Triple Crown winner and the first since Affirmed in 1978.

Sunday Silence did, however, win the $1 million Triple Crown bonus for compiling the best overall record in the three races.

Easy Goer's time of two minutes, 26.01 seconds, was the second fastest in the history of the race, behind Secretariat's world-record clocking of 2:24 in 1973.

The track was only a bit faster than usual, so his time and margin suggested he ran a tremendous race.

Easy Goer, coupled in the betting with Awe Inspiring as the 8-5 second choice, blew past Sunday Silence at the top of the stretch and drew away with every stride to win by eight lengths.

Sunday Silence, the 9-10 favorite, held second by a length over Le Voyageur, a French colt who ran an astoundingly good race in his American and dirt debut.

It was 12 lengths back to Awe Inspiring, who was fourth. Hawkster, Rock Point, Imbibe, Irish Actor, Triple Buck and Fire Maker completed the finish in that order.

Easy Goer, a son of Alydar and Relaxing, paid $5.20 for $2 to win. The exacta with Sunday Silence paid $8 and the trifecta combining the first three finishers returned $152.

Easy Goer's performance was sweet vindication for Ogden Phipps, the 80-year-old owner and breeder, and Shug McGaughey, his trainer.

After Easy Goer finished a dull second as the 4-5 favorite in the Derby and then lost a long stretch duel in the Preakness as the 3-5 choice, the colt's backers were derided as New York loyalists who had overrated their hometown colt.

Charlie Whittingham, Sunday Silence's trainer, flatly predicted his colt would win the Triple Crown.

Le Voyageur got off to an uncontested lead through fractions of 0:23 1-5, 0:47, 1:11 1-5 and 1:35 4-5. Sunday Silence settled into second and Easy Goer was stalking him in third after six furlongs.

They headed into the turn in that order, and Sunday Silence seemed ready to pounce to the lead as he made his move.

But Easy Goer was the one with the strongest punch this time, and he accelerated suddenly outside the two leaders. The moment he reached the front it was clear he was going to win easily.

Eleven other colts have won the Derby and the Preakness but were then beaten in the Belmont, most recently Pleasant Colony in 1981 and Alysheba in 1987.

The Belmont track, which was covered with water just 12 hours before post time, was fast, dry and fair by early Saturday afternoon.

Agence France-Presse

Easy Goer crossing the finish line in his eight-length victory over Sunday Silence on Saturday.

SIDELINES

Wichita State Wins NCAA

OMAHA, Nebraska (UPI) — Wichita State won the College World Series championship with a 5-3 victory over Texas on Saturday. Wichita State, 68-16, defeated Arkansas in an elimination game, then beat Florida State twice to reach the championship game. Texas, which lost its third national championship game in the 1980s, ended its season 53-18.

French Boxer Retains Title

FROSINONE, Italy (AP) — Fabrice Benichou of France retained his IBF junior featherweight title Saturday night by knocking out South African challenger Frans Cornelius Badenhorst in the fifth round.

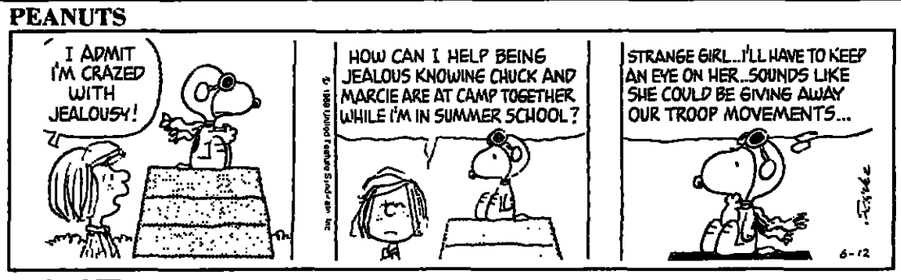
The Spanish-born world champion, 24, relied on his flashing, powerful left hook to knock down the South African opponent in the first and fourth round and end the fight after 20 seconds into the fifth.

Oklahoma won the team title Saturday at the 92nd annual National Collegiate Athletic Association golf championship at Edmond, Oklahoma. Texas was second by 19 strokes. *(UPI)*

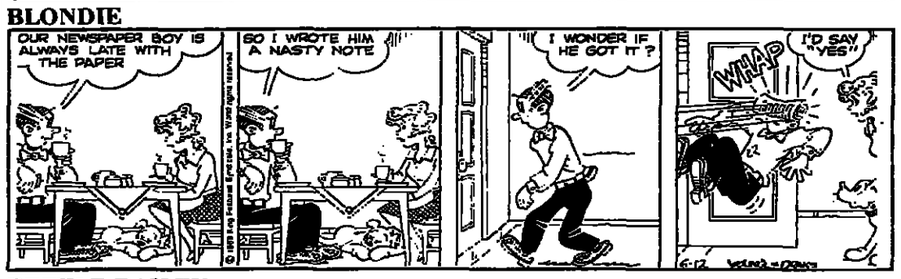
Real Madrid clinched its fourth consecutive Spanish soccer league title on Sunday, crushing Espanol, 3-0. The victory left them four points ahead of second-placed Barcelona with two games to play. *(Reuters)*

DENNIS THE MENACE

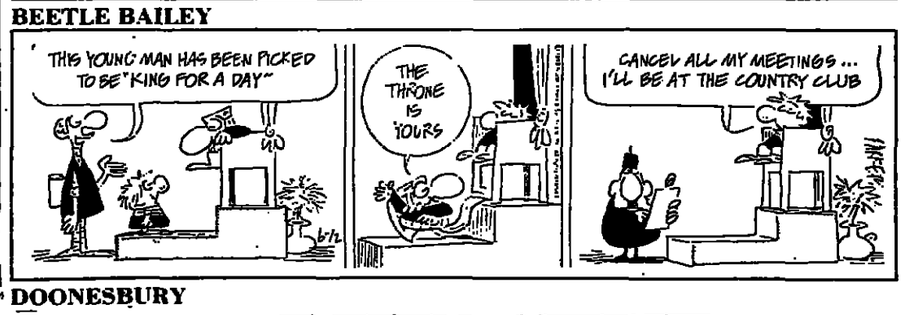
PEANUTS



BLONDIE



BEETLE BAILEY



DOONESBURY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NEFIT

INGGA

BALGER

ENGALT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: THE ____ OF ____ (Answers tomorrow)

Saturday's Jumbles: PATCH NIPPY FROZEN ANYONE
Answer: The weather bureau might sometimes be described as this kind of an agency— "NON-PROPHET"

PERSONAL INVESTING
IN THE IHT THE SECOND MONDAY OF EACH MONTH. EDITED FOR THE SOPHISTICATED INVESTOR — AN ESSENTIAL GUIDE TO OPPORTUNITIES AND PITFALLS — WORLDWIDE

MONDAY SPORTS

Agence France-Presse

Michael Chang, joined by Stefan Edberg, held aloft the winner's trophy Sunday for the photographers at Roland Garros Stadium.

Chang Rallies to Beat Edberg

Last American to Win Men's Title Was Trabert in 1955

By Nick Stout
International Herald Tribune

PARIS — Michael Chang wrote the final chapter to his amazing story at the 1989 French Open on Sunday, beating Stefan Edberg for the title, 6-1, 3-6, 4-6, 6-4, 6-2, in yet another steady come-from-behind effort.

Chang, the 17-year-old Californian who upset Ivan Lendl and then beat Ronald Agenor of Haiti and Andrei Chesnokov of the Soviet Union to gain the final, thus became the youngest men's champion in the history of this tournament and the first American man to win since Tony Trabert in 1955.

"These two weeks, regardless of what happened today, are going to stay with me my whole life," the exhausted winner told the spectators after his three-hour-41-minute match. "Everything was run so smoothly, and I want to thank everybody for, just, everything."

The match, decided largely on errors, lacked the brilliance of the Chang-Lendl encounter, in which Chang kept himself alive with long rallies until he could seize an opportunity to break the cadence and drill a winner.

In playing a serve-and-volley specialist like Edberg, whom he had beaten already this year at Indian Wells, California, Chang

FRENCH OPEN

turned instead to well-placed passing shots and hard service returns that the third-seeded Swede could not handle. He tried to get the serves back quickly, before Edberg could get to the net. He succeeded most of all in the fifth set, when Edberg tired.

"I knew what he was going to do today because he did the same thing at Indian Wells and I was prepared for it," Edberg said. "I started off not serving too well but then I found my rhythm. But it's tough to take the ball early."

Chang opened the match with an ace on the center line, and he played aggressively throughout the first set. Edberg seemed lethargic and unable or unwilling to make that extra stretch to the corner. The set took only 31 minutes, and it seemed like it was going to be a one-sided affair.

But after Chang broke serve in the fifth game of the second set to go ahead 3-2, Edberg broke right back to even the score at 3-3. Edberg broke serve two games later to make it 5-3 and then won the set when Chang lobbed too long.

The two right-handers were now doing things differently. Chang was missing the sidelines that he earlier had been targeting well, and Edberg was beginning to perfect a shot that would serve him well throughout the match: a spinning backhand down the line to Chang's forehand. But Chang was getting to volleys that less-speedy players would have missed, and this seemed to pressure Edberg to aim even closer to the lines.

Chang survived the fourth set by refusing to choke on a host of crucial points. In the third game, after both players had broken serve, Chang fought back from 15-40, saved four break points and squandered the advantage three times before finally nailing down the game.

A similar sequence occurred when Chang served at 3-3, 0-40. He came back to deuce on two errors by Edberg and a winning passing shot, then saved two more break points after Edberg had the advantage. In the end, he claimed the game to go ahead 4-3 and won the set by breaking Edberg's serve in the 10th game. The winning point came when Edberg volleyed into the net after Chang's hard service return.

Asked how he turned the match around, Chang said: "I really don't know. It was just a couple of points here and there. I just tried to hang in there. During the fourth set when I was down a break, I really thought the match was gone. Stefan maybe gave me an opening, and then a chance went through my head and I thought, 'Maybe I can do this.' A few points maybe inspired me to try even harder than I was trying and to believe there was a chance I could come back."

Chang opened the fifth set by serving a game that went to deuce six times. He saved two break points but eventually lost the game on a long lob.

Instead of losing spirit, he broke right back and won the game by returning a drop shot with a drop of his own. He broke again in the fourth game to go ahead 3-1 and then held serve after surviving two break points and going to deuce four times. Chang had the momentum now, and it was just a matter of time before Edberg ended the match with a weak forehand into the net.

"I think he started off playing unbelievably," Edberg said. "He didn't make a mistake in the first hour. I was slow in working my way into the match. But then I started to play more aggressively. I had a lot of chances to break him in the fourth set and I didn't take advantage of one of them. That's when the match slipped away from me."

Trabert, who beat Sven Davidson in an American-Swedish final in 1955, was on hand to watch the newest American champion.

"I'm very happy for him," Trabert said. "I think he played extremely well."

Trabert, 58, said he thought that John McEnroe should have beaten Lendl in the 1984 French final, in which he squandered a two-sets-to-love lead, and he offered his view of why Chang won Sunday.

"What Michael did so well was to take risks under pressure," Trabert said. "That's what some other clay-court players don't do. That's what Chesnokov didn't do."

Much has been made here of Chang's devotion to Christianity and his tendency to publicly thank Jesus Christ after each victory. When someone asked him why he thought Christ chose him and not Edberg to be the victor on Sunday, Chang replied:

"I know that every time I bring that up you see the pens breaking or the heads nodding, and I know that people are sort of getting sick of it. But if I really want to tell you the truth, it really is Jesus Christ. I give him all the credit for the things that happen in my life. That's the way I am. Stefan probably said he got to the final because he worked really hard or for a different reason. Everybody has his own reasons. That just happens to be mine."

Blue Jays Shut Down The Tigers

The Associated Press

Mike Flanagan and Duane Ward combined on a four-hitter as the Toronto Blue Jays downed visiting Detroit, 4-0, on Sunday, the fifth time the feeble Tigers have been shut out this season.

Detroit began the game with a .238 team average, the lowest in the American League. On Saturday, the Tigers beat Toronto, 11-8.

Rookie Junior Felix went four-for-five with a two-run homer. The Blue Jays finished with 12 hits.

Flanagan, 4-5, gave up three hits in seven innings. It was his first outing since a sore left shoulder forced him to miss his last two

SUNDAY BASEBALL

starts. Ward finished for his fifth save and struck out four.

Rookie Mike Schwabe, 1-1, shut out Toronto until the fifth. Rance Mulliniks doubled and Felix hit a 0-2 pitch into the second deck for his fifth home run of the season.

Felix, who had his first four-hit game in the majors, singled in the seventh, went to third on Kelly Gruber's single and scored on a sacrifice fly by George Bell.

Mariners 6, Indians 3: In Cleveland, Seattle's Bill McGuire hit his first major-league home run and Brian Holman got his first American League victory.

Gene Harris pitched 3⅓ innings for his first major-league save. Holman and Harris were acquired along with Randy Johnson in the May 25 trade that sent Mark Langston to Montreal.

McGuire, called up May 30 from Class AAA Calgary to replace injured catcher Dave Valle, hit a three-run homer in the sixth inning.

Twins 5, White Sox 2: In Minneapolis, Randy Bush hit a two-run homer and Kirby Puckett added a two-run single for his first RBIs in two weeks, leading Minnesota over Chicago.

Allan Anderson, 7-4, allowed eight hits in seven-plus innings and got solid relief help from Juan Berenguer and Jeff Reardon.

Yankees 4, Red Sox 2: Andy Hawkins pitched four-hit ball for eight innings and Don Mattingly drove in two runs to lead the Yankees past Boston in the first game of a doubleheader in New York.

Hawkins, 6-7, had struggled in his previous six starts, allowing 38 runs and 52 hits in 31⅓ innings. But he shut down an offense that had scored 21 runs in the previous two games against the Yankees.

Brewers 3, Orioles 1: In Baltimore, pinch-hitter Rob Deer doubled home the go-ahead run in the ninth inning as Milwaukee handed the Orioles their fourth loss in five games.

The Orioles, leading the AL East, had won eight straight before the recent slump. Milwaukee has won eight of its last 12.

With the score tied at 1, B.J. Surhoff got a bunt single with one out in the ninth against Kevin Hickey, 1-1.

Deer, batting for Terry Francona, doubled to left field. Deer took third on Mike Felder's single and scored on Olson's wild pitch.

Mets 6, Pirates 1: In the National League, in Pittsburgh, Bob Ojeda pitched a six-hitter and Len Dykstra hit a two-run homer as the Mets ended a three-game losing streak.

Dave Magadan added a two-run single and Darryl Strawberry singled in a run as the Mets knocked out Brian Fisher in the second inning. Howard Johnson homered off Jeff Robinson in the ninth, Johnson's 15th home run this season and fourth in five games.

Expos 7, Phillies 2: Pascual Perez allowed three hits in eight innings and Tim Wallach drove in three runs as Montreal swept a three-game series from Philadelphia in Montreal.

Philadelphia, which has lost 14 of its last 17, was outscored 21-3 in the series.

Perez, 3-7, returned to the starting rotation Tuesday after three weeks in the bull pen.

Facing Sizzling Reds, Dodgers Come Up Dry

United Press International

A frustrated Dodger team, which has not scored a run in 21 straight innings, was shut out Saturday for the second straight game, this time by the sizzling hot Cincinnati Reds.

Tom Browning allowed Los Angeles only five hits and Ken Griffey

SATURDAY BASEBALL

singled in two runs to give Cincinnati the 5-0 triumph, their fourth in a row, in Los Angeles.

"He pitched great, threw strikes and beared down when he had to," said Pete Rose, the Reds manager, of Browning.

Browning gave up only five singles, walked one and struck out six in his first shutout of the season and the ninth of his career.

"We can't do anything till we start hitting like we're capable of," said the Dodgers manager, Tommy Lasorda, whose team has been shut out in three of its last four outings.

The Reds loaded the bases with one out in the first when Todd Benzinger walked, Barry Larkin hit an infield single and starter Tim Belcher hit Paul O'Neill with a pitch. Griffey then lined a two-run single to center.

Astros 1, Braves 0: In Houston, Jim Clancy scattered five hits over 7⅓ innings and Billy Hatcher scored from first on a sixth-inning double by Bill Doran to give the Astros their fifth straight victory over Atlanta.

Pirates 6, Mets 5: In Pittsburgh, Rey Quinones drilled a two-run homer with one out in the ninth to lift the Pirates, who handed New York its third straight loss.

Expos 9, Phillies 1: In Montreal, pinch-hitter Tim Raines delivered a three-run double in a five-run sixth inning and Bryn Smith fired a five-hitter to lead the Expos.

St. Louis 6, Chicago 0: In Chicago, Joe Magrane broke out of his slump, striking out a career-high nine batters, as St. Louis handed the Cubs their first back-to-back shutouts since July. On Friday, Jose DeLeon hurled a four-hit, 10-strikeout, 1-0 masterpiece with relief help from Todd Worrell.

Giants 1, Padres 0: In San Francisco, Scott Garrelts combined with two relievers on an eight-hit shutout and Will Clark drove in the game's only run with a third-inning sacrifice fly to edge San Diego.

Athletics 5, Rangers 1: Ron Hassey's two-run double highlighted Oakland's four-run first inning and Storm Davis celebrated his return from the disabled list with a victory over the Rangers in Arlington, Texas.

Royals 5, Angels 4: Danny Tartabull belted a solo homer with two out in the eighth to break a tie and lift Kansas City over visiting California.

Twins 11, White Sox 8: Jim Dwyer ripped a grand slam in the bottom of the eighth to help Minnesota rally to defeat Chicago in Minneapolis. Dwyer's third career grand slam capped a five-run eighth inning.

Brewers 6, Orioles 0: Don August hurled a five-hit shutout and was backed by 13 Milwaukee hits in Baltimore.

Mariners 3, Indians 1: In Cleveland, rookie Randy Johnson allowed only three singles in 7⅓ innings as Seattle edged the Indians.

Red Sox 14, Yankees 8: In New York, Nick Esasky and Luis Rivera each hit a two-run homer to power Boston's 19-hit offensive.

Boston's pitching ace, Roger Clemens, survived a first-inning scare when he was hit in the left knee by rookie Deion Sanders's one-hop smash.

Tigers 11, Blue Jays 8: In Toronto, Detroit jumped to a 9-0 lead after four innings and held on for the victory, using five pitchers who gave up 11 hits and nine walks.

Grady Wins Golf Playoff In New York

The Associated Press

HARRISON, New York — Wayne Grady of Australia sank a three-foot birdie putt on the first extra hole and beat Ronnie Black in a playoff Sunday to win the Westchester Classic golf tournament here.

Grady, 31, forced the playoff when he birdied the final hole from six feet (1.8 meters) for a par 72.

It was the first victory in the United States for Grady, the 1988 Australian Masters champion.

He finished with a 277 total, seven under par on the windy Westchester Country Club course.

Black, who has not won since 1984, also completed the regulation 72 holes at 277.

Playing about a half-hour in front of the other contenders, Black made up four strokes with a closing 68 in winds that gusted to 40 mph (65 kph).

The playoff began on the 314-yard (286-meter) 10th hole. Both players drove just short of the green. Black played his approach about 20 feet behind the cup.

Grady seized the opening immediately, running a little pitch about three feet below the cup.

After Black's birdie attempt wobbled off to the right, Grady rapped the winner into the back of the cup.

Tom Watson, a five-time British Open champion trying to regain the magic that once made him golf's top player, finished with a 68 that left him one shot out of the playoff at 278.

He had a chance to gain a playoff spot when he got his second shot in a greenside bunker on the long 18th.

His sand shot, from an uphill lie, came up well short of the green and he missed the 20-footer that would have tied it.

Watson finished third, tied with Clarence Rose, who had a closing 70. Tom Kite, the PGA Tour's leading money-winner, Fred Couples, J.C. Snead and Billy Andrade were another shot back at 279.

For Scrappy Sanchez, a Dream Final

By Nick Stout
International Herald Tribune

PARIS — Soon after she won the match that vaulted her into a showdown with Steffi Graf in the final of the French Open, Arantxa Sanchez received a telephone call from Spain. It was from Lili de Alvarez, who lost the 1928 Wimbledon final to Helen Wills. She was calling because Sanchez had just become the first Spaniard since then to reach the women's final of a Grand Slam tennis tournament.

"She wished me luck and said we would meet in Wimbledon," Sanchez recounted happily after she upset Graf on Saturday to win the French tennis championship.

In retrospect, it should not have been so surprising that Sanchez was able to pull off her 7-6, 3-6, 7-5 victory over Graf.

In seven previous clay-court tournaments this year, Sanchez had not lost before the semifinal round.

Sanchez, 17, played a brilliant final, beating Graf with amazing winners at the lines and pulling off some seemingly impossible volleys. She had to save two set points at 5-6 in the first set before winning a close tiebreaker. And she had to battle back from 3-5 in the third set to win the match.

"I fought for three hours to win the tournament of my life, the one I've been dreaming about," said Sanchez, who reached the quarterfinals in her two previous appearances here. "And I'm very proud."

Sanchez, ranked No. 10 in the world, is the youngest in a family of professional tennis players that includes her brothers, Emilio and Javier. She is most at home on the baseline and is at her best on clay.

But the key to winning Saturday, Sanchez said, was not letting Graf get off to an early lead. It was easier said than done.

Sanchez saved a break point in the second and fourth games, and survived no fewer than five break points when serving at 3-2.

"She was making some unbelievable shots, so close to the lines," said Graf, who first won the French Open in 1987 at age 17 by upsetting Martina Navratilova. "I was not the one who was putting pressure on the opponent today."

Sanchez served for the set at 5-4, but Graf dug in and won the game at 30. Graf held serve to go ahead 6-5, but then squandered two set points with backhand errors.

In the tiebreaker, Sanchez was down, 2 points to 4, but she battled back to go ahead, 6-5. Graf saved set point with a passing shot, but Sanchez took the set two points later as the crowd chanted, "Olé!"

"I shouldn't have lost the first set," Graf conceded. "I had so many chances from the beginning."

The second set was more in line with what people had expected when they came to Roland Garros Stadium on Saturday. Graf dominated the set with her fierce forehand even if she missed two set points at 5-2. She rebounded quickly, however, to break Sanchez's serve and take the set, 6-3.

The third set was a story of determination in the face of defeat.

Graf gave up the first game after having led it, 40-15, but she broke back in the sixth game and then again in the eighth to take a 5-3 lead.

"I had fought until then and I thought I could continue fighting," Sanchez said. "It was 5-3, but I was still strong mentally."

Then, remarkably, Sanchez broke Graf at love after a series of errors by the defending champion. When Graf set up break point by netting what should have been an easy smash, Sanchez grinned broadly.

Sanchez held serve at 15, and suddenly the score was 5-5.

Graf was serving now, but Sanchez started to sight the impossible dream. The Spaniard broke serve at love with a forehand winner, and Graf dashed into the locker-room at the changeover.

When she came back onto the court to receive serve, the two traded points to 40-30. A few moments later, Graf netted a backhand, then came to the net and gave the new champion a hug.

"She really played a great match," Graf said of the woman who deprived her of a third straight French championship. "She's one of the people who just enjoys it; she's just a great person. And so I feel good for her."

Sanchez's triumph was worth about $250,000.

When she won the final point after two hours 58 minutes, Sanchez sent a ball sailing far up into the crowd. As she received the victory cup, she thanked her parents, her brothers and her coach, then waved to the spectators and said to their delight, "See you next year."

Agence France-Presse

After the final, a joyful Arantxa Sanchez and a weary Steffi Graf share the spotlight.

SCOREBOARD

BASEBALL

Major League Standings

(Through Saturday)

AMERICAN LEAGUE

East	W	L	Pct.	GB
Baltimore	32	25	.561	—
Cleveland	29	30	.492	4
Boston	27	29	.482	4½
Milwaukee	28	32	.467	5½
New York	27	31	.466	5½
Toronto	25	34	.424	8
Detroit	24	35	.408	9
West				
Oakland	39	21	.650	—
California	36	22	.621	2
Kansas City	35	24	.593	3½
Texas	33	26	.559	5½
Seattle	29	33	.468	11
Minnesota	27	32	.458	11½
Chicago	22	39	.361	17½

NATIONAL LEAGUE

East	W	L	Pct.	GB
Chicago	33	26	.559	—
Montreal	33	28	.541	1
St. Louis	29	28	.509	3
New York	29	29	.500	3½
Pittsburgh	23	34	.404	9
Philadelphia	21	36	.368	11
West				
Cincinnati	35	24	.593	—
Houston	36	25	.590	—
San Francisco	35	26	.574	1
San Diego	30	33	.476	7
Los Angeles	28	31	.475	7
Atlanta	24	36	.400	11½

Friday's Results

AMERICAN LEAGUE

Detroit	000 000 000	0	4 2
Toronto	200 000 00x	2	8 0

Tanana and Nokes; Stieb, Wells (7) and Brenly. W—Stieb, 5-3. L—Tanana, 5-6. Sv—Wells (1).

California	100 000 000	1	6 0
Kansas City	320 100 00x	6	9 0

McCaskill, Monteleone (4), Fraser (7) and Schroeder; Leibrandt and Boone. W— Leibrandt, 4-6. L—McCaskill, 7-2. HR— Kansas City, Jackson (14).

Seattle	000 120 001	4	9 1
Cleveland	140 000 00x	5	5 0

Zavaras, Reed (3), Jackson (7) and Bradley; Candiotti, Shaddard (6), Orosco (7) and Jones (9). W—Candiotti, 7-3. L— Zavaras, 0-2. Sv—Jones (13). HR—Seattle, Leonard (12).

Milwaukee	000 010 000	1	7 0
Baltimore	300 000 00x	7	11 0

Clutterbuck, Crim (6) and Surhoff; Holton, Williamson (5), Hickey (9) and Tettleton. W—Williamson, 6-2. L—Clutterbuck, 2-4. HRs—Baltimore, Tettleton 2 (16), Worthington (3).

Chicago	202 002 100	5	13 1
Minnesota	000 210 00x	3	12 0

Reuss, Hillegas (6) and Fisk; Rawley, R.Smith (3), Berenguer (6), Wayne (8), Tunnell (9) and Laudner, Mercado (9). HR—Chicago, Baines (7).

Oakland	400 202 000	8	11 1
Texas	032 203 01x	11	16 1

Stewart, Cadaret (4), Nelson (4), Plunk (6), Corsi (8) and Hassey; Hough, Mielke (4), Hall (4), Guante (6), Rogers (8), Russell (9) and Kreuter. W—Guante, 4-3. L—Nelson, 1-2. Sv—Russell (14). HRs—Oakland, McGwire (11), Texas, Franco (9).

(Boston at New York, ppd., rain)

NATIONAL LEAGUE

St. Louis	100 000 000	1	4 0
Chicago	000 000 000	0	4 0

DeLeon, Dayley (9), Worrell (9) and Pena; Sanderson, Pico (9) and Berryhill. W—DeLeon, 8-3. L—Sanderson, 6-4. Sv—Worrell (7).

Philadelphia	000 000 000	0	3 1
Montreal	102 010 01x	5	9 0

Youmans, G.A.Harris (6), Carman (7), Parrett (8) and Daulton; De.Martinez and Pevey. W—De.Martinez, 6-1. L—Youmans, 1-4. HRs—Montreal, Galarraga (9), De.Martinez (1).

New York	110 000 001	3	4 2
Pittsburgh	000 002 001	4	8 0

Fernandez, Aguilera (7), Myers (8), McDowell (10) and Sasser; Drabek, Landrum (10) and Ortiz, Bilardello (10). W— Landrum, 2-1. L—McDowell, 1-3. HRs— New York, Johnson (14), Wilson (3), Strawberry (14), Pittsburgh, Bonilla (8).

Atlanta	003 002 000	5	11 3
Houston	010 104 00x	6	11 2

Lilliquist, Alvarez (6), Assenmacher (6), Acker (7) and Benedict, J.Davis (7); Forsch, Agosto (6), Portugal (7), Schatzeder (7), Dorwin (9) and Biggio. W— Agosto, 2-1. L—Alvarez, 3-2. Sv—Dorwin (1). HR—Atlanta, Benedict (1).

Cincinnati	000 103 000	4	11 0
Los Angeles	000 000 000	0	5 0

Rijo and Reed; Hershiser, Crews (7), Pena (9). W—Rijo, 6-2. L—Hershiser, 7-5. HR—Cincinnati, Griffey (3), Harris (1).

San Diego	000 000 011	2	9 2
San Francisco	013 025 01x	12	17 0

Hurst, Booker (6), Leiper (8) and Santiago; Robinson, Mulholland (9) and Manwaring, Bathe (9). W—Robinson, 4-4. L—Hurst, 5-5. HRs—San Francisco, Mitchell (23), Oberkfell (1).

Saturday's Results

American League

Seattle	000 001 011	3	4 0
Cleveland	100 000 000	1	3 1

Johnson, Schooler (8) and Bradley; Farrell, Orosco (9) and Allanson. W—Johnson (3-0). L—Farrell (3-7). Sv—Schooler (14). HRs—Seattle, Cotto (3), Presley (5).

Milwaukee	211 011 000	6	12 3
Baltimore	000 000 000	0	5 0

August and O'Brien; Ballard, Huisman (4), Thurmond (6) and Tettleton. W—August (4-6). L—Ballard (0-2).

Detroit	014 400 002	11	15 0
Toronto	000 040 400	8	11 1

Robinson, Gibson (2), Henneman (5), W. Hernandez (7), F. Williams (8) and Heath; Key, Sanchez (4), X. Hernandez (4), Henke (9) and Whitt. W—F. Williams (3-2). L—Key (6-5).

Boston	020 504 030	14	19 2
New York	200 101 021	8	17 2

Clemens, Stanley (8) and Gedman; Dotson, Cary (4), Mahorcic (8), Guetterman (9) and Slaught, Geren (7). W—Clemens (7-4). L—Dotson (2-4). HRs—Boston, Esasky (9), Gedman (3), Rivera (1); New York, Geren (3).

Oakland	400 000 010	5	8 2
Texas	010 000 000	1	4 1

Davis, Burns (6), Honeycutt (8) and Hassey; Witt, Mielke (8) and Kreuter, Sundberg (6). W—Davis (4-3). L—Witt (5-6). HR—Texas, Sierra (10).

California	000 000 220	4	6 2
Kansas City	002 020 01x	5	7 0

Blyleven, Minton (7) and Parrish; Saberhagen, Gordon (7), Farr (9) and Boone. W—Gordon (7-2). L—Minton (1-1). Sv—Farr (12). HR—Kansas City, Tartabull (8).

Chicago	101 230 100	8	12 2
Minnesota	010 211 15x	11	12 1

Hibbard, Pall (6), Thigpen (7) and Fisk; Ontiveros, Shields (4), Wayne (5), Berenguer (7), Reardon (9) and Mercado, Laudner (7). W—Berenguer (3-2). L—Thigpen (0-3). Sv—Reardon (10). HRs—Chicago, Baines (8); Minnesota, Dwyer (2).

National League

Philadelphia	100 000 000	1	5 2
Montreal	100 025 10x	9	15 0

Ruffin, McWilliams (6), Parrett (6), G.R. Harris (8) and Lake; Smith and Fitzgerald. W—Smith (6-2). L—Ruffin (0-3). HR—Philadelphia, Herr (1).

New York	000 122 000	5	6 1
Pittsburgh	000 300 012	6	10 1

Cone, West (5), Aase (6), Myers (8) and Lyons; Kramer, Robinson (6), Heaton (7), Kipper (9) and Ortiz. W—Kipper (1-3). L—Myers (5-2). HR—Pittsburgh, R.Reynolds (3).

Atlanta	000 000 000	0	4 0
Houston	000 001 00x	1	4 0

Smoltz, Alvarez (8) and Benedict; Clancy, Agosto (8), Smith (9) and Biggio. W—Clancy (4-4). L—Smoltz (7-5). Sv—Smith (12).

Cincinnati	200 021 000	5	8 0
Los Angeles	000 000 000	0	5 2

Browning and Diaz; Belcher, Horton (5), Wetteland (6), Pena (8) and Dempsey. W—Browning (6-5). L—Belcher (4-5).

San Diego	000 000 000	0	8 1
San Francisco	001 000 00x	1	2 1

Whitson, G.W. Harris (7) and Parent, Santiago (7); Garrelts, Gossage (7), Lefferts (8) and Kennedy. W—Garrelts (5-1). L—Whitson (4-3). Sv—Lefferts (11).

St. Louis	002 103 000	6	10 1
Chicago	000 000 000	0	6 2

Magrane and Pena; G. Maddux, Parry (6), Pico (7), Schiraldi (9) and Wrona. W—Magrane (4-5). L—G. Maddux (5-6).

College World Series

Double Elimination NCAA baseball tournament in Omaha, Nebraska, started June 2.

Game 19 — Wichita State 12, Florida State 9 (Florida St. eliminated)

Championship

Wichita State 5, Texas 3

TENNIS

French Open

FINALS

Men

Michael Chang, U.S. (15), def. Stefan Edberg, Sweden (3), 6-1, 3-6, 4-6, 6-4, 6-2.

Doubles

Patrick McEnroe and Jim Grabb, U.S., def. Eric Winogradsky, France, and Mansour Bahrami, Iran, 6-4, 2-6, 6-4, 7-6 (7-5).

Women

Arantxa Sanchez, Spain (7), def. Steffi Graf, West Germany (1), 7-6 (8-6), 3-6, 7-5.

Doubles

Larisa Savchenko and Natalia Zvereva, Soviet Union, def. Steffi Graf, West Germany, and Gabriela Sabatini, Argentina, 6-4, 6-4.

Mixed Doubles

Manon Bollegraf and Tom Nijssen, Netherlands, def. Arantxa Sanchez, Spain, and Horacio de la Pena, Argentina, 6-3, 6-7 (3-7), 6-2.

BASKETBALL

NBA Finals Schedule

Detroit vs. L.A. Lakers
(Detroit leads series, 2-0)

June 6: Detroit 109, Los Angeles 97
June 8: Detroit 108, Los Angeles 105
June 11: Detroit at L.A. (1930 GMT June 11)
June 13: Detroit at L.A. (0100 GMT June 14)
x-June 15: Detroit at L.A. (0100 GMT June 16)
x-June 18: L.A. at Detroit (1930 GMT June 18)
x-June 20: L.A. at Detroit (0100 GMT June 21)
(x-if necessary)

CYCLING

Tour of Italy

22nd STAGE

(Prato to Florence, 53.8 kilometers/33.4 miles)

1. Lech Piasecki, Poland, one hour, 5:34 minutes; 2. Greg Lemond, U.S., 1:03 minutes behind; 3. Flavio Giupponi, Italy, 2:05

FINAL OVERALL STANDINGS

1. Laurent Fignon, France, in the total time of 92 hours, 30:16 minutes, at an average speed of 36.512 kmph; 2. Flavio Giupponi, Italy, 1:15 minutes behind; 3. Andrew Hampsten, U.S., 2:46; 4. Erik Breukink, Netherlands, 5:02; 5. Franco Chioccioli, Italy, 5:43; 6. Urs Zimmermann, Switzerland, 6:28; 7. Claude Criquielion, Belgium, 6:34; 8. Marco Giovannetti, Italy, 7:44; 9. Stephen Roche, Ireland, and Marino Lejarreta, Spain, both 8:09.

CRICKET

ENGLAND vs. AUSTRALIA

(In Leeds, England, Day 3, Saturday)

1st Innings: Australia 601-7 (declared); England 284-4.

SOCCER

FRENCH CUP FINAL

Marseille 4, Monaco 3

ITALIAN FIRST DIVISION

Ascoli 2, Napoli 0
Bologna 1, Pescara 0
Como 2, Torino 2
Internazionale 4, Atalanta 2
Juventus 4, Lazio 2
Lecce 0, Casena 0
Pisa 0, AC Milan 2
Roma 2, Fiorentina 1
Sampdoria 2, Verona 1

Points: Internazionale 56; Napoli 44; AC Milan 42; Juventus 40; Sampdoria 37; Atalanta 35; Fiorentina 33; Roma 31; Verona, Ascoli, Lecce, Bologna 28; Cesena 27; Lazio 26; Torino, Pescara 25; Como 22; Pisa 21.

SPANISH FIRST DIVISION

Barcelona 3, Atletico Madrid 0
Real Valladolid 1, Cadiz 0
Sporting Gijon 2, Osasuna Pamplona 1
Real Madrid 3, Espanol 0

WEST GERMAN FIRST DIVISION

Hamburger SV 1, Bayer Leverkusen 1
FC Cologne 4, FC St. Pauli 2
Bayer Verdingen 1, Stuttgarter Kickers 3
FC Nuremberg 2, Bayern Munich 1
Eintracht Frankfurt 2, Borussia Dortmund 1
Karlsruher SC 1, Werder Bremen 0
VfB Stuttgart 2, Borussia Moenchengladbach 1
FC Kaiserslautern 0, SV Waldhof Mannheim 3
VfL Bochum 1, Hanover 96 3

Points: Bayern Munich 48; FC Cologne 45; Werder Bremen 42; Hamburger SV 41; VfB Stuttgart 39; Bor. Moenchengladbach 38; Borussia Dortmund 35; Bayer Leverkusen 34; Karlsruher SC 33; FC Kaiserslautern, Bayer Verdingen 31; FC St. Pauli 30; SV Waldhof Mannheim 29; VfL Bochum, FC Nuremberg 26; Eintracht Frankfurt 25; Stuttgarter Kickers 24; Hanover 96 18.

WORLD CUP QUALIFYING

Japan 5, Indonesia 0
Angola 2, Gabon 0
Nigeria 2, Cameroun 0
Zambia 1, Tunisia 0
Ivory Coast 0, Algeria 0

GOLF

Leaders after Saturday's third round of a European PGA tournament at the par-72, 6,955-yard Moor Park Golf Club course in Rickmansworth, England:

Craig Parry, Australia	67-71-66—204
David Gilford, England	71-69-65—205
Mike Harwood, Australia	66-72-67—205
Bob Shearer, Australia	69-72-65—206
Ian Woosnam, Wales	67-72-68—207
Stephen Bennett, England	71-69-67—207
Anders Sorensen, Denmark	73-67-67—207
Jeff Hawkes, South Africa	71-70-66—207
Denis Durnian, England	69-70-68—207
Peter Senior, Australia	72-67-68—207
David Williams, England	68-68-71—207
Barry Lane, England	72-68-68—208
Jerry Anderson, Canada	70-69-69—208

TRANSITION

BASEBALL

American League

BALTIMORE—Sent John Habyan, pitcher, outright to Rochester, International League.

KANSAS CITY—Sent Stan Clarke, pitcher, to Omaha, American Association. Recalled Bill Pecota, infielder, from Omaha. Signed Richard Tunison and David King, first basemen; Lance Jennings, David Solseth and Colin Ryan, catchers; Brian Ahern, Matthew Karchner, Chris Schaefer, Clinton Foster, Ben Parda, Louis Tolbert, Andres Berumen, Scott Centola, Michael Webster, Kirk Baldwin, Herbert Milton, Edward Pierce and Bubba Dunn, pitchers; Gary Carapella and Chris Jones, third baseman; Sean Collins, second baseman; Kirk Thompsen and Kevin Lane, outfielders; David Ritchie and Javier Alvarez, shortstops, and Darnell Dickerson and Jay Andrews, outfielders.

MINNESOTA—Signed Chuck Knoblauch, shortstop, and Michael Tromley, pitcher, and assigned them to Kenosha, Midwest League. Signed George Tsamis, pitcher, and Jon Pittenger, third baseman, and assigned them to Visalia, California League. Signed Don Mastellar and Michael House, first baseman; Robert McCreary and Phil Wiese, pitchers; Rexford DeLaNuez, outfielder; Kenneth Briggs, catcher, and Charles Lloyd, second baseman, and assigned them to Elizabethton, Appalachian League. Signed John Gumpf, Jody Bryant and Kenneth Norman, outfielders; Javier Fimbres and Bradley Brooks, first baseman, and assigned them to Sarasota, Gulf Coast League.

TEXAS—Reactivated Gene Petralli, catcher, from 15-day disabled list; optioned outfielder Kevin Reimer to Oklahoma City, American Association.

TORONTO—Put Rob Ducey, outfielder, on 15-day disabled list. Purchased contract of Kevin Batiste, outfielder, from Knoxville, Southern League.

National League

CINCINNATI—Signed Henry Goins, outfielder, Tim Pugh, pitcher, and Richard Allen, third baseman.

HOUSTON—Signed Scott Makarewicz, catcher; Paul Riley, third baseman; and Mark Small, pitcher; and assigned them to Auburn, New York-Penn League.

NEW YORK—Traded Terry Leach, pitcher, to Kansas City for player to be named. Recalled David West, pitcher, from Tidewater, International League.

PITTSBURGH—Put Bob Walk, pitcher, on 15-day disabled list. Recalled Morris Madden, pitcher, from Buffalo, American Association. Purchased contracts of Miguel Garcia, pitcher, and Donn Pall, catcher, from Buffalo. Sent Tom Prince, catcher, and Roger Samuels, pitcher, to Buffalo.

ST. LOUIS—Signed Paul Coleman, outfielder, and assigned him to Johnson City, Appalachian League.

COLLEGE

FLORIDA ATLANTIC—Named Tom Loomis basketball coach.

An Art Publisher and His Paris Dream

International Herald Tribune

PARIS — As a curtain raiser to the single market of 1992, Britain's leading art book publisher, Thames and Hudson, opened a Paris branch this month, becoming the first major British publisher to set up shop in France.

The French operation begins with the publication of three titles from the firm's World of Art series, on Seurat, Greek art and the Bauhaus. Three more titles from the series will come out in the autumn, followed by 12 more next year. The compa

MARY BLUME

ny's managing director, Thomas Neurath, hopes in the future to publish original French texts as well as translations from the British list.

Distribution will be handled by a subsidiary of the French publishing house Gallimard, and the Paris office is in St.-Germain-des Près, two attic rooms with beamed ceilings: "My adolescent dream of what a Paris publishing house should be like," Neurath said.

Thames and Hudson takes its name from the rivers of London and New York, but its roots are firmly Continental, as is the atmosphere in its Bloomsbury Street offices. "Somehow the office seems to divide into people who are very English and very restrained and are always frightfully polite, and then there's the other half which is outspoken and does lose its temper and is wild and prone to occasional fits of shouting," Neurath said. Austrian by family, English public school and Cambridge by education, he straddles both worlds.

Walter Neurath, Thomas's father, began publishing in London in 1949, having emigrated from Vienna in 1938. "His passion was to put the world of scholarship and academic research within the reach of people who hadn't such a deep or long education," Thomas Neurath said.

One of Walter Neurath's first ideas was to persuade the eminent Viennese scholar Ernst Gombrich to write his popular classic, "The Story of Art" (1950), which was published by another house since it was beyond Neurath's capacities at the time. In a gesture of friendship, Sir Ernst, 80, gave a talk on art history and art books at the Louvre last week to inaugurate Thames and Hudson's Paris venture.

The founder of international co-publishing on a modern scale, Walter Neurath quickly set his sights on the American market and set up a New York office. The company's mid-Atlantic name, prompted by people's problems in pronouncing Neurath, was complemented by a colophon of two dolphins, one facing east, the other west.

The New York branch publishes several

David Bailey

Publisher Neurath: He misses the oddballs.

of its own books each year, but the company's strength has been in co-productions with European publishers. Today it works with most of the major European houses and prints in Japan, Spain, the Netherlands and Switzerland, as well as Britain and now France.

Walter Neurath, who died in 1967, used to wince at the phrase "coffee-table books" with its connotation of empty-headed luxury, and so does his son. If many of the company's books are indeed costly, the 100 titles of the small-format World of Art series, which represent 10 percent of sales, cost £6 each (about $9.50) or 89 francs in France (about $13.40).

"People are always saying I don't know how you do it, books with color illustrations on good paper for the price of a paperback novel," Thomas Neurath said. One impulse behind the French operation is that he has never been able to find a French publisher to take the series. "Art paperbacks for students seemed to me something that was really useful and no one in France wanted to do it."

Walter Neurath's widow and collaborator, Eva Neurath, is the company's chairman and despite the blandishments of takeover specialists the film remains independent, with an annual turnover of £12 million and more than 160 titles a year, about 80 of them original commissions. The permanent list has 1,600 titles.

"We try very hard to keep books in print," Thomas Neurath said. "If we sell 2,000 copies of a book every three or four years we will reprint it and I don't think that's true of very many publishers." "English Cathedrals," published on Walter Neurath's first list in 1950, is still in print in a revised edition.

Except for an attempt at eight novels during the 1950s, the company's emphasis is on the visual arts but includes such subjects as literature and literary criticism, mythology, philosophy and religion, history and botany. Fashion and the applied arts are expanding fields, as is contemporary architecture.

Thomas Neurath's own taste is for the humble, unconsidered aspects of art such as "Art of the South African Townships" and he showed his trend-spotting gift in the 1970s by initiating the Art and Imagination series, which included such newly fascinating subjects as "Tantra," "Sacred Geometry" and "Creation Myths." He studied archaeology at Cambridge and rather misses the oddballs who used to drop in with huge, impossible manuscripts.

"We used every two or three months to get people who were totally obsessed by some wacky idea and would come and take up two hours of one's time explaining it in great detail. I really used to enjoy that. We haven't had many lately."

One point in opening the Paris office is to be ready for 1992. Another reason is for this small independent publishing house to defend itself against global publishing resulting from mergers which might make the co-productions that Thames and Hudson has specialized in impossible.

"Penguin is not only in England now, but also in America and Australia. House has a huge presence in England. Simon & Shuster publish under their own imprint there. I can imagine that publishing may develop in a way whereby the easy interchange between an English and a French or an Italian publisher may not be possible because Montadori, for example, might have plans to open their own offices in England and might want to give their British company any book they want to publish there. So I feel that one needs to be present oneself in certain countries in order to publish there."

A third reason to open a French office is Neurath's dream of returning to a simpler operation where the oddballs might again drop by. Before joining Thames and Hudson in 1961, he worked in Paris for the publisher Artaud and lived in the famous "Beat Hotel" on the rue Gît-le-Coeur. He has been nostalgic ever since.

"These other things like 1992 and developments in international publishing are things I can tell people in the office as justification and I hope they accept it. But the truth is that we have got too big in London and such a small fraction of the day is devoted to what I like doing most.

"I find the scale now larger than I would like, with more talk of warehouses and accounts. I did hope that in starting off here, I would get back to what I most enjoy."

LANGUAGE

Reclamas Are Not for the Feckless

By William Safire

WASHINGTON — The caller must have set off all the recording machines in the Central Intelligence Agency by dialing my number at the Washington Bureau of The New York Times.

"*Reclama*," the voice said, "as both noun and verb. Drives us crazy. And all you hear these days is the adjective *feckless*."

This was the latest burst from my Spookspeak Mole, who can be depended on to report the latest lingo in the corridors of power.

Reclama is a word used by people who leak to, and write for, publications such as Aviation Week (which in 1958 added "& Space Technology" to its title).

"Navy and Army officials are now in the process of preparing *reclamas* on the LAMPS and aerial scout helicopters," it wrote in 1975. Six years later, in the same publication, an irate defense official complained of "zero time available to . . . accept *reclamas* from the services."

The word is hot in diplomacy, too: Prime Minister Margaret Thatcher, wrote James R. Schlesinger in Foreign Affairs magazine in 1986, "appeared at Camp David to deliver a *reclama* on Reykjavik." Schlesinger, it will be remembered, has been both director of central intelligence and secretary of defense.

In 1984, Secretary of State George P. Shultz explained how government differed from business: "In business you had to be very careful when you told somebody that's working for you to do something, because the chances were very high that he'd do it. In government you didn't have to worry about that, because if he didn't like it, there'd be a *reclama*."

The word is gaining in highest-level usage: "Cheney had done a *reclama*," Brent Scowcroft, the national security adviser, was overheard saying about a request from Defense Secretary Richard B. Cheney for a review of some decision.

Another member of the National Security Council was responsible for turning the noun into a verb at a meeting in which the president participated: "I'd like to *reclama* that."

Reclama is not in the general dictionaries, and has yet to appear in the Oxford English Dictionary, but is defined in the 1978 Naval Terms Dictionary as "a request to superior authority to reconsider its decision or its proposed action." The synonyms are review and appeal, both of which do double duty as verb or noun, so I suppose we cannot get upset at the verb form of reclama in the National Security Council.

My guess is that the word is a clip of the noun *reclamation*, from the verb *reclaim*. Both are rooted in the Latin *clamare* "to cry out" (same root as *clamor*, the noise raised by grammarians at the first hint of functional shift).

From the Latin came the French verb *réclamer*, which means "to complain, protest, object, appeal," and spawned a noun *réclame*, "publicity, notoriety"; the early meaning of a cry of protest led to the English *reclaim*, which began by meaning "to recall from improper conduct" and "to bring back from error" and now has a generalized meaning of "to recover," as in the reclamation of waste.

Let us now reclama the overuse of *feckless*.

Robert C. McFarlane, a former national security adviser, told The New York Times that the Iranians first sent a "feckless functionary" to meet him at the airport in Tehran in 1986.

Ed Meese's lawyers said last year that a government prosecutor's report was a "mammothly feckless venture." Another Meese supporter was quoted as saying that the former attorney general had been made to "look like a feckless hick."

Feckless, like its synonym *ineffective*, is short on *feck*, which used to be a word meaning "vigor" and is still with us in the form of *effect*.

To be *feckless* is to be a washout, a nebbish, a loser; although the word now has a connotation of "careless, irresponsible," it remains an umbrella term for "weak, spineless, inadequate, helpless."

□

Was the demonstration by students in Beijing's Tiananmen Square an example of *revolutionary praxis?* This was the phrase used in arguments among Communists around the world.

Nice to see that old Marxist phrase back in action. Until recently, it had been relegated to stories about religion and politics in Latin America: "Liberation theology," wrote Michael Novak in The New York Times Magazine in 1984, "says that truth lies in *revolutionary praxis*."

In 1986, Richard John Neuhaus wrote in National Review that a reporter covering the 1985 Roman Catholic Synod of Bishops missed its profound meaning because he "had come to cover hot issues, such as *revolutionary praxis* and women's ordination."

Praxis is a no-nonsense word meaning "action based on will," from the Greek for "doing, acting, deed, practice." It came marching into English in Sir Philip Sidney's 1581 treatise analyzing poetry: "For as Aristotle sayeth, it is not *Gnosis* (knowledge) but *Praxis* (action) must be the fruit." (Aristotle was contrasting theoretical reasoning with practical reasoning, sayeth I.)

Grammarians tried to snatch the word to their bosoms in the 18th century, as Bishop Robert Lowth used it to mean "an example of grammatical resolution," and some philologists still compare *praxis* with *lexis*, speech as action versus speech as meaning. But historians and political philosophers, led by Count August von Cieszkowski in 1838 and soon after by Karl Marx, made the term their own way of saying "practical activity."

Sidney Hook, the American philosopher, is my favorite analyst of Marx. In books written in the early 1930s, Hook wrote, "Marx claimed that only in practice *(Praxis)* can problems be solved," and "Practice *(Praxis)* was something much wider than *practicability*. It was selective behavior. . . . Marx's theory of the Praxis could explain what all other philosophers recognized but which they could not begin to account for, without writing fairy tales, viz., how knowledge could give power."

Some neo-Marxists of the praxis "school" hold that the consciousness raised on Mao's long march was false. They argue that the only useful praxis is *revolutionary praxis*, which — according to Roger Scruton's Dictionary of Political Thought — "sustains itself without ideology, since it is directed to the essential nature of social reality."

I will wade no farther into these murky waters, other than to suggest that two political senses of the word exist: "practicality," such as is put forward by "capitalist roaders" and free-marketers, and "action," such as that undertaken by hunger-striking, freedom-seeking students.

More than one *praxis*? Praxes.

New York Times Service

INTERNATIONAL CLASSIFIED

FRENCH BICENTENNIAL

STUDIO, 30 sq.m. all comforts, near Arc de Triomphe/Wagram. 15 days in July, at your choice. Tel: 42.27.03.26.

ANNOUNCEMENTS

TO OUR READERS VISITING FROM THE U.S.A.

THE INT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE

Now printed by satellite transmission, New York the International Herald Tribune offers same-day home or office delivery in Manhattan, most areas of Washington D.C., Boston, Los Angeles San Francisco and Miami.

Subscription copies are also flown directly to Atlanta, Chicago and Houston for speedy delivery.

In the U.S.A., call TOLL FREE 1-800-882-2884

In New York, call **(212) 752-3890**

or write International Herald Tribune 850 Third Avenue New York, N.Y. 10022 Telex: 427 175 Fax: (212) 755-8785

ANNOUNCEMENTS

AMERICAN HOSPITAL OF PARIS. Accredited US hospital, 24 hrs emergency service. English spoken, Blue Cross. 46 specialities under one roof. 63, Bld Victor Hugo, 92202 Neuilly sur Seine (10 min. Etoile). Tel: 47 47 53 00

50% DISCOUNT. Learn or improve your French in a Dordogne château. 7-day intensive residential courses with French participants. Some places still available. Tel: C.I.E.L. in France 53.91.44.26

ALL BEST SEATS Wimbledon: tickets & hospitality, Phantom, Les Mis, all sport, pop and theatre. Tele:UK 01-493-0437 or 495-0996/7 Fax: 01-408-1688.

MILA SCHON. The most refined of all ties, in ZURICH exclusively at WEINBERG's - leading men's store - 13, Bahnhofstr. 01-211 29 50

ALCOHOLICS ANONYMOUS English speaking meetings daily. Tel: PARIS 46 34 99 65 or ROME 678 0320

MOVING

1992 · NOW !

interdean

INTERNATIONAL MOVERS FOR A FREE ESTIMATE CALL PARIS (1) 39569000

ALLIED VAN LINES NICE, CANNES, MONACO. COMPAGNIE GENERALE S.P. 40, 06021 Nice Cedex. Tel: 93.21.35.72

MARTINI TECHNOTRANS - NICE / CANNES Tel 93.39.43.44. Overseas Moving - Storage - Packing - Air/Sea Shipping. Car Baggage. Clearance.

REAL ESTATE FOR SALE

FRENCH PROVINCES

COTE D'AIL-COTE D'AZUR NEAR MONACO

Modern Provencal semi-detached villa.

Living 45 sq.m. on terrace, entirely equipped kitchen, 4 bedrooms, 3 baths, enclosed & landscaped 1500 sq.m. garden, pool, garage, cellar & alarm. Unspoilable view of sea & Monaco. Very calmly situated. Price: F4,000,000 Reduced fees

L'UNIVERSELLE Diplomatic Corps 6 Ave Georges Clemenceau 06000 Nice, Tel: 93 88 44 98

A VENDRE CHALET ANCIEN sur terrain de 1300 m2 habitables, 5 salles de bains, vue exceptionelle et imprenable. Mont d'Arbois, Megeve. Prix a debattre. Ecrire a C 18-115288, PUBLICITAS, CH-1211 Geneva 3

PARIS & SUBURBS

CROIX ROUGE EDGE OF 6TH LAST FLOOR

Original duplex, large living, fireplace, 4 bedrooms, balcony, sun. park. F5,500,000 Visit Monday 2pm - 5pm 9 RUE DE GRENELLE, 7TH EXCLUSIVE SERGE KATSER TEL: 16 - 1 - 43.29.60.60

REAL ESTATE FOR SALE

PARIS & SUBURBS

METRO BAC, FULL SOUTH TRIPLE RECEPTION

2 bedrooms, 2 maids' rooms, garage. 17th century Town House, full of charm. Exclusivity: F7,500,000. Tel: 45.51.02.60

ARTISTS ATELIER 16TH

60 sq.m. + 30 sq.m. mezzanine 1930 building, 2nd floor, double living, 1 bedroom. Price: F4,200,000. AICI: 47 27 26 23

NEAR ST GERMAIN EN LAYE, ISLAND OF MIGNEAUX. Luxurious modern home directly on the river Seine, spectacular view, with private boat dock, elegant private location, 350 sq.m. + 160 sq.m. basement with 1846 sq.m. garden. SICO, 47.49.37.81.

MARAIS

17th Century Historic Hotel very elegant 75 sq.m. on garden sun calm, park. 43.26.73.14

18TH: MONTMARTRE EXCEPTIONAL 5 rooms, perfect condition with panoramic view on Paris, sunbaked, double living, 3 bedrooms, equipped kitchen, bathroom, WC. F2,800,000. Tel: 42 54 71 95

BD ST. GERMAIN (near Concorde). Freestone, superb 4 rooms, luxuriously decorated. sun. GAUSSERAND-45.51.24.70

100 m FRONT DE SEINE Rue Beaugrenelle, charming 2-room, sunny, in nice building. F690,000. Tel: 43.41.59.95 or evenings: 43.26.81.71.

SEVRES/LECOURBE, 15TH: 4 rooms, 86 sq.m. parking. F2,200,000 Tel: Owner: 45 00 89 61 home

PORTE DE LA MUETTE WALTER building, 400 sq.m. super receptions, decoration. OPTIM: 45 62 03 03

5TH, SMALL 3 ROOMS, all comforts, 2nd floor, on courtyard, elevator. F1,080,000. Tel: 48.33.10.03

PANTHEON - SUPERB 4 ROOMS on greenery, elevator, parking. Tel: GRISS. 48.78.28.44.

RIGHT ON PLACE VENDOME Superb 200 sq.m. for possible professional use. 43.59.12.96.

SPAIN

HOUSE NEAR BEACH, 8 minutes Puerto Banus/Marbella. 3 bedrooms, 2½ bathrooms (180 sq.m constructed) 1,000 s.q.m. plot. Phone. Very private garden, superb pool/patio area. Offshore ownership. Tel: 3452-784326 or (USA) 305-3418224

REAL ESTATE FOR SALE

SPAIN

COMMERCIAL OFFICES (110 sq.m.). Excellent visibility in Puerto Banus/Marbella. 5 phone lines plus telex, two entrances, all separate units. Serious price. Tel: 3452-784326 or (USA) 305-3418224.

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN

LONDON LUXURY apartments in all central areas, including Mayfair + Knightsbridge. Minimum stay 3 nights, cheaper than luxury hotel. Discount for longer stays. Driver will meet your flight at Gatwick or Heathrow. M P Estates. Tel (1) 499 2154 anytime.

MONACO

PRINCIPALITY OF MONACO SUPERB 4-ROOM APARTMENT

for rent in new prestigious building - 308 sq.m., large living room, 3 bedrooms, 2 bathrooms, shower room, dressing room, fully equipped kitchen, luxury fixtures and fittings, air conditioning, 3 parking spaces, 3 storage cellars, spacious balconies offering views of the Mediterranean and the Cap Martin.

AGEDI

26 bis, Bd Princesse Charlotte MC 98000 MONACO Tel: 93.50.66.00. Telex: 479 417 MC Fax: 93 50 19 42

PARIS AREA FURNISHED

Rent a FLAT or an OFFICE in Paris. By day or more With all possible hotel services Housekeeping, room service...etc Studio up to 5 rooms,

FLATOTEL TOWER on the River Seine, right beside the Eiffel Tower. FLATOTEL EXPO a few meters from the exhibition center Porte de Versailles. For more information: Call 45 77 05 55

PARIS 15th, PENTHOUSE - 3 BEDROOM + LIVING FLAT - STUDIO 35 SQ.M.

Luxurious equipement and furniture TERRIFIC RIVER VIEWS

KFR 42.96.88.88

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

A NEW WAY OF STAYING IN PARIS

LE CLARIDGE

FOR 1 WEEK OR MORE high class studio, 2 or 3-room apartments. FULLY EQUIPPED IMMEDIATE RESERVATIONS Tel: 43 59 67 97

AT HOME IN PARIS SHORT OR LONG TERM apartments for rent furnished or not

PARIS PROMO Estate Agent - Property Manager 25 Ave Hoche, 75008 Paris. 45 63 25 60

INTER URBIS UNFURNISHED/FURNISHED RENTALS FLATS & HOUSES FOR SALE 31 rue de Monceau, Paris 8th. Tel: 45 63 17 77

RESIDENCE CITY THE VERY BEST RENTALS Phone Paris **45 27 12 19**

MARAIS 3 ROOMS WITH CHARACTER F8,800 net. Tel: 42.89.20.11.

- BASTILLE - LOFT STYLE - 130 sq.m. 2 bedrooms, 1 mezzanine, 2 baths, big living, fireplace. Free August 1st. F12,000. Tel: 48.05.48.98, evenings.

LE VESINET. Garden suburb 20 min. west Paris, 5-bedroom house, with pool. Long or short term. F22,000. Tel: 47.73.80.00.

LA CELLE ST CLOUD 20 mn center Paris, well-furnished 2-room, all conveniences, sunny, quiet. Phone before 10am, (1) 39.18.57.13.

PORTE DE VANVES, near Beaumarchais, lovely 5 bedroom house with garden. For rent September '89 - 1 year or 18 months. F17,000. Tel: Paris 47.35.81.05.

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

ETIENNE-MARCEL, 3rd & top floor, sun, comfortable, calm 40 sq.m. (kitchen, bath.) 3 months or more. F4,500 net. Tel: 45.48.22.61 (eves late).

PARIS LA DEFENSE, very luxuriously furnished 4 room apartment, 2 baths, fully equipped kitchen, beautiful view, T.V., parking. Tel: 40.50.13.99.

PARIS 15th, ST. CHARLES, 3 rooms, furnished, sunny and quiet. F2,500/week, or long term, July/September. Tel: 45 50 64 71 or 45 79 17 13.

16th, VICTOR HUGO, very beautiful living, dining, 2 bedrooms, 2 baths, lovely furnishings, elegant building, sunny, quiet. F18,000. 47.20.37.99.

PARIS BIENVENUE. Furnished studios and apartments in central Paris, nightly, weekly, monthly. 47 53 80 81.

HIGH STANDARD furnished apartments. Best areas. From 3 months to 3 years. Exclusive. Tel: 47.53.86.38.

6th SUPER LEFT BANK location, July - Aug. 85 sq.m., sunny 3 rooms + dinette in kitchen, view. Tel: 46.33.87.62.

ILE ST. LOUIS, LUXURIOUS STUDIO, completely equipped with maid. Telephone: 46 34 19 25.

ILE DE LA CITE, very beautiful apartment, 130 sq.m. For July and August. Tel: 46.34.19.25.

LATIN QUARTER 2-room flat in town house, kitchen, bath, sunny, view, heating, quiet. Owner 43.54.65.69.

6th - SAINT GERMAIN DES PRES - Very beautiful 2 rooms, F8,000. Tel: 42.56.17.23.

16th, PASSY, PRETTY 2 ROOMS Sunny, calm, F6,000 per month. Residence City: Tel: 45.27.12.19.

16th, TROCADERO, beautiful double living, 2 bedrooms, luxury kitchen & bath, great charm. F12,000. 4720 3799

PARIS AREA UNFURNISHED

VERY NEAR AVE. FOCH. Modern high class building, 2 rooms, luxurious apartment, completely redone, equipped kitchen, 4th floor. Justified high price. Tel: 45 00 33 02 office.

16th, SUCHET, large elegant double living, formal dining, 4 bedrooms, 3 baths, well equipped eat-in kitchen, sunny, parking. F20,000. 47.20.37.99

REAL ESTATE TO RENT/SHARE

PARIS AREA UNFURNISHED

Embassy Service 8 Ave. de Messine 75008 Paris

YOUR REAL ESTATE AGENT IN PARIS

45.62.30.00 FAX 42.89.21.54

RUE CREVAUX

Splendid 7 rooms, entirely renovated and fully equipped, triple living, 4 bedrooms, 2 bathrooms, modern and equipped kitchen, 2 dressing rooms, big cellar, recently renovated building, class, sunny. (Nearby Avenue Foch). Justified key money. Rent + charges: F21,000. Tel: 47.04.94.88.

NEAR ST GERMAIN EN LAYE, ISLAND OF MIGNEAUX or Poissy. Superb house on 1200 sq.m. garden with private boat dock. Living: 44 sq.m. Nine bedrooms - 3 baths. FF18,500/month. SICO 47.49.37.81.

EMPLOYMENT

GENERAL POSITIONS WANTED

EXTREME MOTIVATION AND AMBITION TO SUCCEED

Young man, international education, very well travelled, highly presentable, excellent communicator in fluent English, French and German, seeks honest challenge requiring use of his versatility, guts and determination. Ready to travel and/or relocate. Tel: Geneva: 41 + 22/755.27.55.

Major 60's TV/ Movie Star wishes to direct/act in Europe. Edd (Kookie) Byrnes. P.O. Box 1402, Beverly Hills, CA 90213. (213) 392-9923

EMPLOYMENT

EDUCATIONAL POSITIONS AVAILABLE

CHERCHE Professeur Principal pour une petite école de langues avec filiale à l'étranger. Doit être très bien organisé avec expérience d'enseignement d'anglais des affaires aux adultes. Anglophone, résident Paris. CV, photo à Box (0840), Herald Tribune, 92521 Neuilly Cedex, France.

EXPERIENCED AND QUALIFIED ESL teachers wanted for training institute in Paris. Call LIC. (1) 45.75.19.62.

AUTOMOBILES

Antique & Classic Car Auction Saturday, June 17, 1989 Newport Yachting Center Newport, R.I. USA 9 am - 6:30 pm To register to bid call: 1-401-849-3033 Fax: 1-401-849-3023

AUTO RENTALS

PARIS ALL INCLUSIVE RATES

FORD FIESTA FF290/DAY FF1875/WEEK FORD ESCORT FF375/DAY FF2250/WEEK FORD SIERRA FF490/DAY FF2940/WEEK

CENTRAL RENT-A-CAR

PARIS, CITY/AIRPORT (1) 42.60.52.02 NICE 93.21.27.27 minimum 2 days rental.

AUTO SHIPPING

TRANSCAR 17 av de Friedland, 75008 Paris. Tel 4225 6444. Nice 9321 3250. Antwerp 233 9985. Cannes 9339 4344.

AUTOS TAX FREE

TRASCO BREMEN. From stock '88 and '89 Audi 80 / Ford Sierra / Opel Corsa, Kadett, Vectra / VW Polo, Golf, Jetta, Passat / Mercedes 230 E, 260 E, 300 SE, 500 SE '87, 500 SEL '86. Steindoram 38, D-2820 Bremen 77, Germany. Tlx: 246624. Fax: (0)421/630205. Tel: (0)421/630044.

TRASCO BREMEN Mercedes + Audi Armored cars & stretched limousines from stock. Steindoram 38, D-2820 Bremen 77 Germany. Tlx: 246624. Fax: (0)421/630205. Tel: (0)421/630044.

AUTO SERVICES

LICENSE PLATES expired? Fast solution. Purshon, PO 2477, 6901 Lugano Switzerland. Tel. (91)234126. Tlx: 844624 Fax(91)23747. We also insure any car

LEGAL SERVICES

GUAM USA DIVORCE Fast. Both sign, no travel. Free Book. Attorney Don Parkinson, Box 8X Agana, Guam. Phone 671-477-7697 or Fax: 477-6550.

LEGAL SERVICES

U.S./CALIFORNIA ATTORNEY in Europe from 7/15-10/30 anticipate needs. Consult on transactional immigration and/or monitor litigation. Reasonable Rates - Bradley Brook Tel: 213-653-0203/Fax: 213-625-5704.

SERVICES

DUTCH COUPLE, all executive, to babysit your home in Geneva during the summer. References available. Write 333, Poste Restante, 1200 Geneva 3 Rive, or tel: France 50.75.25.90.

LOW COST FLIGHTS

ACCESS VOYAGES

	One Way	Round Trip
New York	F1000	F2000
San Francisco	F1590	F3180
Los Angeles	F1590	F3180
Atlanta	F1795	F3590
Dallas	F1795	F3590
Chicago	F1400	F2800
Miami	F1490	F2980
Washington	F1560	F2970
Montreal	F1000	F1890
Vancouver	F2250	F4095
Rio de Janeiro	F3195	F5150
Bali	F4595	F8659
Tokyo	F3990	F6930
Caribbean	F1698	F2980

and more destinations ... Discount on 1st & business class *Rates subject to modifications Restrictions may apply* Tel: (1) 40.13.02.02 & 42.61.46.94 6 rue Pierre Lescot, 75001 Paris Metro - RER Chatelet Les Halles (Lic. 1.75.111)...and also

ACCESS IN LYONS Tour Credit Lyonnais, 129 rue Servient 69003 Lyon. Tel: (16) 78 63 67 77. Book now by phone with credit card

WORLDWIDE scheduled departure at the lowest ever discount: economy or 1st class airfare. Credit cards possible. Paris: 43 59 59 13 or Fax: 42 56 25 82

HOTELS

GREAT BRITAIN

THE BARKSTON HOTEL BARKSTON GARDENS LONDON SW5 0EW

Situated in a quiet garden square, two minutes walk from underground, with direct line to Heathrow and West End. Close to Olympia and Earlscourt exhibition centres. All rooms with private facilities. Bar and restaurant with friendly atmosphere. TEL: 01 373 7851 TLX: 895314 BRSTNG FAX: 01 370 6570

Page 4 FOR MORE CLASSIFIEDS

International Secretarial Positions

With 75 % of its turnover outside France, 50 industrial and commercial subsidiaries and 55000 employees worldwide, TCE is a world leader in the consumer electronics market : TV, Audio, Hi Fi, Video. We are looking for a :

SECRETARY

to the Senior Vice President Human Resources bilingual American English/French.

You will assist the Sen. VP worldwide, with secretarial work and in setting up international meetings, involving contact with managers mainly from the USA, and Far East.

About 35 years old, with recognized secretarial qualifications, excellent typing and shorthand in both languages, you have about 10 years' experience in secretarial work at management level in an international context.

Ideally, we are looking for a native American English speaker or someone with French or German nationality, who has lived several years in the US.

Your willingness to take initiatives, your organizational flair and your international background will be major assets

As you can imagine, our selection criteria will be rigourously applied. The job is based at La Défense.

Send a letter of application along with you CV and photo, stating present salary and requirements, with reference 89769 to **SELECOM**, 220, rue du Faubourg Saint Honoré - 75008 PARIS. Tel. 42.25.55.70

THOMSON

HCA

International Secretarial Positions

LABORATOIRES HOECHST

Filiale pharmaceutique d'un important groupe international, nous recherchons pour notre siege à **La Défense**

Secrétaire

langue maternelle anglaise

Collaboratrice directe de l'un de nos médecins chargé de recherche, vous assurerez l'ensemble des tâches administratives du service avec une part significative de travaux de frappe de grande qualité en anglais et de fréquents contacts téléphoniques à l'étranger.

Votre profil : formation secretariat niveau BAC, leaving certicate ou equivalent avec 2 à 3 ans d'expérience minimum

Si vous souhaitez évoluer dans un contexte favorable à l'expression de votre dynamisme et de votre sens de l'equipe *merci d'adresser lettre + CV + photo* sous ref 229/HT à **ENTREPRISE ET FONCTIONS** 15, rue des Belles Feuilles - 75116 Paris - T 47.27.20.69

HOECHST

PSO

International Business Message Center

ATTENTION EXECUTIVES

Publish your business message in the International Herald Tribune, where more than a third of a million readers worldwide, most of whom are in business and industry, will read it. Just telex us (Paris 613595) before 10 a.m., assuring that we can telex you back, indicate which major credit card you wish to charge it to, the number and expiration date, and your message can appear within 48 hours. Please also include your address and telephone number for our files.

BUSINESS OPPORTUNITIES

OFFSHORE & UK LTD COMPANIES

Incorporation and management in: UK, Isle of Man, Gibraltar, Turks, Anguilla, Panama, Liberia, Channel Islands, & most other offshore areas
- Confidential advice
- Nominee services
- Residence/Immigration
- Boat registrations
- Accounting & Administration
- Mail, telephone & telex

Free explanatory booklet from: INTERNATIONAL COMPANY SERVICES LTD Sovereign House, Station Road, St Johns, Isle of Man Tel: (0624) 71881 Fax: (0624) 71800 Telex: 628554 ICSIOM G London Representative 2-5 Old Bond St., London W1 Tel: 01-493 4244, Tlx: 28247 ICSLDN G Fax: 01-491-0405

BUSINESS OPPORTUNITIES

DISTRIBUTORS WANTED Extensive line of MOTORIZED EXERCISE TABLES We will be in Europe starting June 3rd to appoint DISTRIBUTORS for various European Countries

CONTACT US NOW For appointment and details PHONE - WRITE - OR FAX

SLENDER WORLD INT'L, INC. 2201 59th STREET ST. LOUIS, MO 63110 USA TELEPHONE: 314-644-4242 FAX: 314-644-3323

INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM US$150

Comprehensive professional services include nominees, Representative offices, Powers of attorney, telex, telephone Fax, mail forwarding worldwide Island Resources National House, Santon, Isle of Man. Phone: (0624) 824555 Tlx 628352 Island G. Fax: (0624) 823949

DISTRIBUTORS, MANUFACTURERS high quality (F.D.A. approved) latex/vinyl gloves, condoms & medical/dental disposables, etc. sought by Canadian company, with long-term worldwide orders on hand. Welcome joint ventures/business immigration. Tel 613-738-1212 Fax 613-738-2569 Canada.

EAST EUROPEAN BUSINESS Opportunity - USSR, Hungary, Poland, etc. Write for free bulletin to: Data GmbH, Box 12023, Belsito, 00136 Rome, Italy.

$150 M UNUTILIZED TERM LOAN for sale. Verifiable. Qualified borrowers only. Applications to Fax: France (33) 93.57.47.49 (Reference: PF).

BUSINESS OPPORTUNITIES

OFFSHORE COMPANIES
- Free professional consultations
- Worldwide incorporations
- Immediate availability
- Full confidential services
- London representative
- Full administration services

Aston Company Formation Ltd., 19 Peel Rd. Douglas, Isle of Man Tel 0624 26591 Tlx: 627691 ASTON Fax: 0624 25726

2ND TRAVEL DOCUMENTS. Id's-Drivers Licenses/Degrees/Any Country. GM 26 Kleomenou, Athens 10675 Greece

HONG KONG CORP., $360. Annual cost $315. SR Ltd. 701, 35 Queen's Rd. HK. Tlx: 83870. Fax: 852-5-8400217.

BUSINESS SERVICES

LONDON ADDRESS BOND STREET. Mail, Phone, Fax, Telex, Conference room. Call 01-499-9192. Tlx 262690.

TOKYO ADDRESS, ALL SERVICES. Mail, Fax, Desk, Interpreting. Fax: 03-986-6850. Telex: 2722564 EVOLAL

OFFICE SERVICES

LONDON REGENT STREET Luxury serviced offices, mail address, phone answering services. Fax, Telex, Secretarial. Chesham Executive Centre. Tel:01 439 6288. Tlx:261426.

OFFICES FOR RENT

PRESTIGIOUS ADDRESS AVE MONTAIGNE, PARIS Beautifully arranged office to rent. 450 sq.m. Parkings. Very reasonable rent. Key money F700,000 justified. Contact: Tel 40.70.91.51.

TO OUR READERS IN HOLLAND

The International Herald Tribune is now on newsstands throughout Holland every morning six days a week Monday-Saturday. If you have problems getting your copy, please contact: Edipress International B.V. Wilhelminastraat 13rd 2011 VH Haarlem P.O. Box 363 2000 AJ Haarlem Tel.: (023) 32 23 41/Tx: 41833

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.